

JPRS 82645

14 January 1983

# West Europe Report

No. 2088

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## GOVERNMENT REVEALS 1979 MEMORANDUM ON NATO MISSILES

Copenhagen BERLINGSKE TIDENDE in Danish 29 Dec 82 p 5

[Text] At the request of Pelle Voigt, member of the Folketing of the Socialist People's Party, Prime Minister Poul Schluter now reveals the memorandum which the government prepared in early December on the former Social Democratic government's promises in connection with the NATO decision to deploy 572 nuclear missiles in Western Europe.

It appears from the memorandum that, through Foreign Minister Kjeld Olesen and Defense Minister Poul Søgaard, the Social Democratic government undertook on 12 December 1979 to contribute to the financing of a number of projects in preparation of the deployment of the nuclear missiles.

The obligation was subsequently confirmed at a NATO meeting of defense ministers in May of 1981. In November of 1981, the NATO Defense Planning Committee approved an estimate of the total amount of the preparatory work of 2 billion kroner, the Danish contribution of which would amount to 75 million kroner.

The estimate was approved anew at a meeting in May of 1982.

The memorandum points out that, "in accordance with established procedures in connection with appropriations," the Folketing shall not take a position specifically on the use of grants for NATO's infrastructure projects outside Denmark's borders.

The memorandum concludes by stating that a Danish refusal to accept its obligation would mean "that Denmark will incur international responsibility." The memorandum finally establishes that there is no precedent for a member country not fulfilling its obligations.

7262

CSO: 3613/41

## EXTRADITION TO BE REFUSED IF DEATH PENALTY EXISTS

Paris L'UNITE in French 19 Nov 82 pp 6,7

[Article by Paul Leduc]

[Text] France is and will remain a land of asylum. Men persecuted for their activities against the regimes that supply material for Amnesty International's dreadful report every year will continue to find peace and security in our country. However, the principles presented by Robert Badinter and adopted by the Council of Ministers on 10 October mark a shift in government position regarding extradition. Without reneging, here again the Left is demonstrating a realism likely to satisfy France's partners in the Common Market.

## Safeguards

What are the new provisions? First of all, extradition will still be refused in four cases: if the request for extradition is presented by a country which makes a mockery of democracy or one whose judicial system does not offer the essential guarantees (for example, if the death penalty, torture or humiliating treatment are used in the country); if the offense involved is of a political nature, for example publishing writings hostile to the authorities in the country requesting the extradition; if the extradition request is politically motivated, such as a desire to silence an opponent and, finally, if, due to his race, creed or religion, the extradition may result in a worse punishment for the subject. These safeguards thus protect nationals of countries that violate democracy and human rights from the threat of extradition.

This twofold reference is fundamental. It makes sacred values of principles to which many regimes refer, but which most of them violate daily. One of the Left's priority objectives was to eliminate as quickly as possible the violations of these principles which were occurring in France itself. The abolition of the death penalty, the elimination of courts of exception and the repeal of indefensible laws (laws to prevent property damage by demonstrators, security and freedom act) marked a return to a state of law. Far from weakening the state, this change took place without the Right's doomsday prophecies being fulfilled. To the contrary, today the action taken has meant less tension in the prisons. Although much remains to be done to improve the prison system,

the prisons are no longer on the verge of exploding as at the beginning of 1981. Furthermore, the preventive actions taken under the leadership of several ministers and municipalities averted the outbreak feared in large compounds in several cities this summer. Moreover, police statistics show no significant growth in delinquency and the crime rate remains stable.

Nonetheless, everything is not rosy. As under the previous administration, terrorism in particular has continued to spread death throughout the country. During the summer, the frequency of attacks even accelerated. New measures were immediately adopted. A secretary of state for public security was appointed to strengthen police activities and coordinate police departments. The desire to stress international cooperation against terrorism, particularly on the European level, has become a reality. However, France's attitude regarding extradition was a serious obstacle in the path of this cooperation. Contrary to what was happening under Giscard when extradition requests were more or less automatically granted, the Socialist government was rejecting these requests one after another. This was igniting tensions, particularly with Italy and Spain, both victims of extremely active terrorism.

After May 1981, Italy had requested from France the extradition of extreme Left activists such as Oreste Scalzone and Maria Grazia Barbierato. With a green light from the Criminal Court of Appeal, the ball was in the government's court. These two individuals sought refuge in our country following a type of self-criticism. They obtained authorization to stay from the administration--with full knowledge of the facts. It is difficult for the government to go back on its position and to turn them over to the Italian authorities on the pretext that it has subsequently decided to refine and qualify its position on extradition. There is nothing more arbitrary in law than retroactivity. Scalzone and Barbierato will therefore be able to remain in France.

#### A Still Fragile Democracy

In Spain, the case of the military ETA [Basque Fatherland and Liberty Group] hired men who take shelter on this side of the Pyrenees in between operations on the other side posed a very serious problem. But, how to extradite these men on the basis of accusations which are often poorly supported, while the risk that they would be tortured in prison could not be disregarded? However, Felipe Gonzalez's electoral victory on 28 October confirmed that Spain did want democracy. The military ETA which greeted this victory by assassinating General Victor Lago Roman was not mistaken. It is difficult for France to ignore any longer the threats that militants, whether Basque or extreme Right, present to this still fragile democracy.

It was within this context that Robert Badinter presented the Council of Ministers with France's new philosophy on extraditions, a text on which he had been working for several months. Had he not stated at a conference on "Law and Democracy" on 20 February that "Everyone knows that at certain times in certain countries resorting to violence sometimes appears to be the ultimate means of political opposition and the only one possible (...) when dealing with political

regimes that ignore rights . . . On the other hand, there are acts of considerable violence that outrage human conscience and whose perpetrators, no matter what ideology they claim as their authority, can only be considered criminals violating the basic laws of free countries . . ." "France cannot be transformed into a haunt or a sanctuary" for them, the Minister of Justice had added.

In other words, in democratic countries where members of the opposition can express themselves and organize freely, actions such as kidnappings and assassinations (Aldo Moro, Hans Martin Schleyer) should in no case be tolerated. The political nature that their perpetrators mean to assign to such actions in no way detracts from their criminal nature. France no longer intends to harbor such assassins who profess to be "Leftist," just as, should the case arise, it would not fail to extradite the Bologna bomb setters who claim to be on the other side. Democracy does not fight with weapons in its hand. Those who do not want to understand this must no longer count on France to serve as their shelter.

#### The Ultimate Criterion

The text adopted by the Council of Ministers thus sets forth that "the political nature of the offense will not be taken into consideration and extradition will be granted in principle . . . when criminal acts (taking of hostages, murder, violence resulting in serious injuries or death, etc.) of a nature such that the alleged political end could not justify the use of unacceptable means have been committed in a state which respects the basic rights and freedoms."

Unacceptable--this is the ultimate criterion, obviously subjective and open to interpretation, on which the government from now on will base its decisions on extradition requests which have received the approval of the Court of Criminal Appeal. Case by case. It seems that today this new text would be read in a way such that a Klaus Croissant would no longer be extradited, and this is for the better. But how would those who turned the German lawyer over to his country's authorities interpret this text were they to be given the opportunity once more?

This uncertainty probably explains the reservations heard here and there. The satisfaction quickly exhibited abroad, especially in Spain, could not completely obscure the often excessive fears expressed in France with regard to this document. At least it has demonstrated to France's skeptical partners that our country's desire to strengthen antiterrorist cooperation is real.

9693

CSO: 3519/192



## CUTBACKS IN OIL REFINERY PRODUCTION DESCRIBED

Milan RASSEGNA PETROLIFERA in Italian 18 Oct 82 pp 917-920

[Text] For several years the FRG has been in the process of adjusting its existing refineries to the new market reality. The problem of adapting the capacity and structure of the refineries operating in the FRG, the shutting down of certain units and, often, of entire refineries, has been under study for some time in accordance with the fluctuation and diversification of domestic demand and, especially, in accordance with a continuous lack of profits and an increase in devastating losses. The following is a report on the present situation of the plants involved.

CALTEX had decided to close part of the Raunheim refinery. In fact, sooner than anticipated, TEXACO and CHEVRON have scheduled the closing of the crude processing facility for this fall. A little less than 40 percent of the refinery's capacity is presently being used; in any case, the isocracker unit and plant for the production of ethylene will continue to operate at a level of 250,000 tons per year. The decision to continue the production of heavy petrochemicals is due exclusively to the desire to continue to respect the existing supply contract with Hoechst.

At the beginning of last May, German BP [British Petroleum] AG decided to close the largest refinery it has in the FRG, the Dinslaken-Hunxe refinery. Even after the closing of the No 8 distillation unit at the end of 1981, capable of processing 2.6 million tons per year, the Dinslaken refinery still has a processing potential in excess of 25 percent on the average with the use of a catalytic cracker, a thermal cracker and a catalytic reformer.

No date has yet been set for the demolition of the BP refinery in the Ruhr, which will eliminate 450 jobs. In a statement explaining the reasons for the decision, Deutsche BP pointed out that the consumption of petroleum products in the FRG has dropped by 20 percent and is continuing to drop. Another reason is the distortion of the competition, deriving from the excess profits of mining activities, a distortion to which the company has constantly referred for several years.



The production of heavy petrochemicals and bitumen will be pursued at Hunxe, with the necessary ethylene to be conveyed to the plant via the RMR oil pipeline, while the residuals of bituminous crude will be transported via the river to the Rhine estuary.

With regard to the Hamburg-Finkenwerder refinery, the merger with the Schindler lubricant section in Hamburg-Neuhof, subsequently purchased by BP, has turned out to be almost a beneficial insurance in this period of crisis. At the Neuhof establishment lubricating oils are produced from derivatives coming from the Finkenwerder refinery which is now operating almost at its normal capacity.

With regard to BP's Vohburg refinery, the signing of a farming-out contract with Shell, to which a certain amount of work is leased, arrived at the most opportune moment.

No reduction in capacity is therefore anticipated for Vohburg (which has a capacity of 5.1 million tons per year). The same applies to the 2 million tons per year furnished by the neighboring Eriag refinery in Ingolstadt, which has a 50 percent arrangement with AGIP [National Italian Oil Company] which, in turn, has a working agreement with Shell.

German Marathon in Burghausen is now operating at about 70 percent of its capacity with a certain amount of fluctuation in the utilization of its capacity in relation to the demand. In close association with other neighboring chemical industrial activities, this plant is continuing to produce crude for petrochemical production.

Until now, the refinery has worked principally with Libyan crudes and, then, crudes from the North Sea. There are no plans to dismantle this plant.

Shell in the FRG

The Godorf-on-the-Rhine refinery, the jewel of the German Shell family, will not be affected by the demolition wave; on the contrary, it will be strengthened by the construction of a heavy-oil conversion plant, which should be in operation by the end of 1983. The activity of this new plant will result in the creation of 100 new jobs in connection with an unaltered crude-oil process yielding 9 million tons per year. Its production is particularly geared toward the supply of heavy petrochemicals to the neighboring Rheinische Olefinwerke plant (50 percent Shell).

At the Hamburg-Harburg plant it is also business as usual. This is in consideration of the fact that Harburg supplies derivatives to the lubricant establishment which Shell has in Reiherstieg. No change is anticipated in its crude distillation capacity, which amounts to 4.3 million tons per year.

German Shell, as will be remembered, was the first company to start its own plant in the Bavarian refining center, conceived more than 20 years ago by Mattei and Scheld. Now it is this company which is the first to go, because the Shell refinery in Ingolstadt is too big to adapt to the fluctuation in consumption.

The farming-out contract (see above) with BP in Vohburg and Eriag in Ingolstadt for a combined total of 2.5 million tons per year will alleviate the negative effect on the central Bavarian economy. Operations ceased at the Shell refinery in April and products were shipped until September.

At the beginning of 1983, the present staff of 313 persons will be reduced to 40 or 50; 183 persons have found jobs at BP and Eriag and 90 will take early retirement. The dismantling of the complex began in May and some plants have already been sold; no decision has been made with regard to the storage tanks.

German TEXACO is also contributing to the changing market situation in Raunheim through its 50 percent participation in the CALTEX refinery. However, the Heide plant and the broad participation in the OMW refinery in Karlsruhe will not be affected, at least for a long time.

The old Heide complex supplies ethylene to the Condea plant in Brunsbuettelkoog and derivatives to the lubricant establishment in Hamburg-Grasbrook. A point in Heide's favor is that it is the only refinery in Schleswig-Holstein and is active in export through the oil pipeline which extends to Brunsbuettelkoog. Some time ago, a small distillation unit of 400,000 tons per year was shut down, and, as a result, the present primary distillation potential is 5.2 million tons per year.

The Deurag-Nerag refinery in Hanover-Misburg traditionally processed domestically produced crude oil coming from the Hanover deposits and is, therefore, unaffected by the difficult times which have come along. More than two-thirds of the capacity of 2.25 million tons per year were used in 1982 in the processing of 1.5 million tons per year.

In addition to lubricants, the Misburg refinery, which is owned 50 percent by Shell and 50 percent by ESSO as a result of the Elwerath transaction, produces gasoline, paraffin, petroleum coke and liquid propane gas, and no demolition is anticipated

#### Plants of Other European Companies

The Elf-Gelsenberg refinery in Speyer, from which the Gelsenberg (BP) has virtually withdrawn, has already begun to reduce its capacity. In August 1981, distillation unit 1, with a capacity of 3 million tons per year, was, in fact, shut down. The gas and methanol unit has had the same fate. At present, the residual primary distillation capacity, equal to 5 million tons per year, is being used about 55 percent (2.8 million tons per year forecast for 1982) in the processing of crude oil or semiprocessed products which are supplied to the refinery via the Marseille-Ingolstadt oil pipeline.

The Elf-Bitumenwerke establishment in Brunsbuettel, favorably located on the Kiel Canal, specializes in the production of bitumen, mostly from Venezuelan crude, and, therefore, no demolition is contemplated.

The Erdol refinery in Duisburg, having gradually reduced its work force in the past 5 years to half the original number, has developed a flexible

program of intermediate product processing and reprocessing in strict association with the refineries of the parent company.

The plant belongs 80 percent to FINA and 20 percent to TOTAL. These solutions assure the utilization of 80 percent of the capacity, equal to 1.9 million tons per year, with the processing of crude coming from the North Sea, Iran and Libya or with semiprocessed products.

The distillation unit, working less than its capacity, has turned to the production of diesel fuel, vacuum residuals and vacuum diesel fuel, partially absorbed by other refineries for further processing.

No demolition is foreseen or any further reduction in personnel.

After BP's entry into AGIP which, in 1979, had replaced BEBA, the Erdol refinery in Ingolstadt proceeded to convert the distillation unit into a visbreaker thermal cracker plant with the result that the primary distillation capacity was reduced from 7 to 4 million tons per year.

In the near future, the remaining capacity will be used either for the activities of the two associate companies or for processing by Shell up to 1 million tons per year. In the processing programs of the German Petroleum Association, Eriag will account for 2.9 million tons per year in 1982, mostly from the Near East and British North Sea, and 0.7 million tons of semiprocessed products.

VEBA OEL and MOBIL are partners in the Erdol refinery in Neustadt, each having a 50 percent share. Having an efficient conversion capacity, the plant supplies ARAL in Bavaria and furnishes heavy oils to the VEBA OEL complex in Munchmunster. The processing of 5 million tons of crude is forecast for 1982, mostly oils of African origin, and semiprocessed products, compared with a maximum capacity of 7 million tons per year. The partners are considering the timeliness of closing one of the two distillation columns, each each having a capacity of 3.5 million tons per year, inasmuch as the remaining capacity would be able, with the aid of the 1.2 million-tons-per-year cracker, to provide an adequate supply to Munchmunster. However, no decision has yet been reached.

The Erdolwerke Frisia refinery in Emden has a long history, beginning with the construction of the original complex, which was the work of the Swiss, Gottlieb Duttweiler. The plant was acquired by various business people and, since 1977, has belonged to the Bomin group, who have made a drastic reduction in the personnel and shut down part of the distillation capacity.

The plant's capacity is 2.4 million tons per year. It is presently processing semiprocessed products or Soviet, Arabian and British crudes for the Bomin group, who are also using a part of the converting capacity.

Other activities are assured by the new terminal for LGP [Liquid Propane Gas], operated jointly with Shell and capable of handling 120,000 tons per year, and by leasing of storage capacity.

## The Large Multinationals

In mid-June, German Shell announced the decision to put an end to activities involving the distillation of crude (500,000 tons per year) at the bitumen plant in Mannheim, near Dusseldorf. This decision does not affect the recovery of bitumen from suitable residual oils or the production of lubricating oils.

The ESSO refinery in Hamburg-Harburg has been constantly modernized and equipped with converting facilities and, for this reason, it is the foremost refinery of German ESSO. Its processing capacity is 5.5 million tons per year. The present modernization programs include the construction of a new Claus plant and a splitter for LPG.

The processing of crude at the ESSO refinery in Koln, recently modernized and having a capacity of 5.7 million tons per year, has been completely stopped as a result of the decline in the sale of gasoline. This refinery, including a converting plant, is now being dismantled. The oxidation, asphalt and chemical units will not be involved in these operations, particularly the steam cracker which now produces 450,000 tons per year of ethylene and 1.4 million tons per year of heavy oil. The ethylene thus produced is conveyed to Belgium for converting via the ARG oil pipeline. The storage tanks and moving services of the Koln refinery will remain as is.

Since mid-1979, the catalytic cracker of the ESSO refinery in Ingolstadt, in Bavaria, has had a capacity of 1 million tons per year compared with its crude distillation capacity of 5 million tons per year. Thus balanced, this refinery is continuing to carry out its role despite the change in the situation.

Meanwhile, the decisions to close have not affected the refinery ESSO has in Karlsruhe. Located in the upper Rhine area, it is the largest which the American company has in the FRG, with a capacity of 8 million tons per year. The thermal cracker, equipped with visbreaker and coker, has a capacity of 2.85 million tons per year and is one of the biggest of its kind in the FRG. A new delayed coker under license from Foster Wheeler (with a capacity of 275,000 tons per year) and a splitter for LPG are also under construction.

Since the end of 1975, the catalytic cracker of the ESSO refinery in Ingolstadt, in Bavaria, has had a capacity of 1 million tons per year compared with its crude distillation capacity of 5 million tons per year. Thus balanced, this refinery is continuing to carry out its role despite the change in the situation.

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Since the end of 1975, the Wilhelmshaven plant has been conceived by MOBIL as the principal supplier of the company's European distribution network in northern Europe. After the closing of the MOBIL refinery in Amsterdam, the Wilhelmshaven plant--the most modern in Germany--took on this role to an ever-increasing extent. In 1981, this refinery, with a processing capacity of 8 million tons per year, worked 60 percent on its own behalf while 22 percent of the production went to export. The 1982 program anticipated that the major share of the supply of crude would come from English and Norwegian deposits in the North Sea, totaling 1.8 million tons. The company does not have a cracker, but it does have a hydrogen deparaffinator.

In 1981, the MOBIL refinery in Worth worked at full capacity, mostly for the domestic market. The Worth plant is presently able to process 3.5 million tons per year and has a catalytic cracker of 810,000 tons per year and a catalytic reformer of 590,000 tons per year. For the moment, there are no known plans for any closing.

In terms of the primary processing of crude, the Oberrheinische Mineralolwerke (OMW) refinery in Karlsruhe is one of the biggest.

However, there are signs of an increasing demand for converting capacity and, in this respect, the Karlsruhe plant is in favorable position. Its catalytic cracker has a capacity of 2.7 million tons per year, and this will be increased to 3.5 million tons per year. It also has a visbreaker of 1.5 million tons per year. The company is owned 42 percent by TEXACO, 33 percent by VEBA OEL and 25 percent by CONOCO. There are no plans to close this truly modern complex. The 1982 processing program contemplates the processing of 2.1 million tons of crude from Saudi Arabia and certain countries of northern Africa and 2.5 million tons of semiprocessed products.

#### Other Refining Companies

Thanks to an annual production capacity of 360,000 tons of lubricating oil, the Schindler refinery in Hamburg--a subsidiary of BP, already mentioned in the first part of this article--is ranked as one of the largest European producers, with a nominal processing capacity of 430,000 tons per year, adequate for its needs. However, the 1982 program calls for 450,000 tons of Nigerian crude. In addition, the refinery will process 490,000 tons of heavy oil.

In the Saar, the Saarland Refineries in Volklingen has a nominal capacity of 3.6 million tons per year, but in 1981 they processed only 1.5 million tons. It will be difficult to surpass this level in 1982. Saarbergwerke has a 50 percent interest, CFP [French Petroleum Company] and ELF 20 percent each, and Societe Chimique de Charbonnages 10 percent. Two distillation units (with a capacity of 2.4 and 1.2 million tons per year) can operate alternately. No closing is anticipated.

However, the market trend has caused the Union Kraftstoff refinery in Wesseling to close an old distillation plant, thus reducing the capacity from 6 to 4.5 million tons. Crude, naphtha or other derivatives can be processed

in accordance with the demands of the chemical industry. The refinery is closely connected with the chemical sector (Rheinische Braunkohle with 75 percent of the shares, Howchst with 25 percent).

VEBA's overall processing capacity (including the participation in Neustadt and Karlsruhe) is presently 16.2 million tons per year compared with 28.3 million tons at the beginning of 1979. VEBA was the first company in the FRG to recognize the impending stagnation in oil consumption and responded adequately and rapidly by liquidating the participations in the Speyer and Ingolstadt refineries. And then immediately followed this with a process of concentration in the Ruhr area: the two Gelsenkirchen refineries in Horst and Scholven were combined, the old distillation columns were taken out of service and the converting capacity was increased to 36 percent of the primary. With the installation of a hydrocracker in Scholven toward the end of 1983, the secondary capacity will increase to 42 percent. The completion of a pilot plant for hydrogenation of residuals and heavy materials toward the end of 1982 is an indication of VEBA's plans for the future. The closing of a primary distillation column of 2.5 million tons per year will reduce the capacity of the entire combined Ruhr complex to 10.5 million tons, since, in 1981, the primary distillation capacity worked only at a level of 61 percent.

The crude processing capacity at the Wintershall refinery in Lingen, in Emsland, has always been adequate for the demand, but the company improved the efficiency of its processing with the addition of a coker. A new hydrocracker, which went into operation at the beginning of 1978, enabled the refinery's converting capacity to go up 40 percent. In 1981, the primary processing capacity was used 70 percent, with increases to 80 percent in the last months of the year. Part of the raw material was made up of domestic crude (1.3 million tons, most of which was from the nearby Emsland deposits). Lingen supplies ARAL and also does processing for ESSO and SHELL (700,000 tons per year). No closing of any units is anticipated.

Wintershall, also, does not contemplate any closings at the neighboring lubricating oil refinery in Salzbergen which is connected with the Lingen complex. The processing capacity of 300,000 tons per year is fully taken up inasmuch as the processing program for 1982 calls for 130,000 tons of domestic crude and 170,000 tons of heavy material for lubricating oil.

At the Mannheim refinery, Wintershall and, consequently, BASF, have 100 percent participation. From the beginning, the refinery has had a dual function with 30 percent of the production going to BASF's giant chemical complex on the other bank of the Rhine. The association with Ludwigshafen has recently been strengthened through the construction of an aromatics plant, scheduled to start up at the beginning of 1983. The Mannheim refinery's other function is to supply ARAL, the FRG's foremost distributing company. A little more than 40 percent of the processing capacity--5.6 million tons per year--is now being used, either for market reasons or for technical purposes, inasmuch as an ordinary maintenance program is soon to get underway. Possible subsequent decisions will depend on the market trend.

From the above, it is possible to get an overall picture of the organizational changes which have taken place in the FRG's refining sector; these changes indicate that, in the past 5 years, that is, by the end of 1982, the primary distillation capacity will be decreased by 26.7 percent, or a good 42.5 million tons per year. That would leave a capacity of 116.9 million tons per year, in line with the anticipated trend of the country's domestic demand for petroleum products. In short, the processing of crude has completely ceased at the following refineries: the BP in Dinslaken, the ESSO in Koln, the CALTEX in Raunheim and the two Shell plants in Ingolstadt and Mannheim. Substantial reductions have been made by ELF in Speyer, Eriag in Engolstadt, VEBA in its two Ruhr plants and the Union Kraftstoff refinery in Wesseling. It is not yet clear if other refineries will be affected by reductions or may be totally closed, a possibility which is of great concern to the FRG Government.

8568

CSO: 3528/46

## CP GROUP URGES QUADRUPLING OF NATURAL GAS IMPORT FROM USSR

Helsinki ANSAN UUTISSET in Finnish 25 Nov 82 p 3

[Article. "Gas Purchases Can Be Quadrupled"]

[Text] The annual import of natural gas from the Soviet Union could be increased to at least 3 billion cubic meters by lengthening the present gas pipeline. This amount would be the capacity of the present pipeline extended to Kouvola.

These were the arguments SKP [Finnish Communist Party] representative presented to Prime Minister Kalevi Sorsa yesterday so that the Council of State would make a decision in principle as soon as possible for extending the natural gas pipeline to Southern Finland.

The party's views were presented by SKP Chairman Jouko Kajanoja, Vice Chairman Veikko Alho, and Politburo member Aarne Saarinen.

Government solutions which would make it possible to increase gas imports are urged in the SKP's memorandum submitted to the prime minister. Last year gas imports stopped at an unassuming amount of 700 million cubic meters.

In the SKP's memorandum it is considered that good conditions exist for a perceptible increase in purchases. The consumption potential of the Helsinki, Tampere, and Etela-Hame areas alone is so great that imports could be increased to 3 billion cubic meters annually.

In the memorandum attention is given to the fact that natural gas is a fuel that is in much demand in many countries, and its share of energy management is nearly 20 percent. Because of its positive environmental aspects, natural gas would be an exceptionally good fuel in the residential centers of Southern Finland, in the heating plants located in their vicinity, and in the direct heating of houses as well. The technical-economic advantages of gas also include small plant investments, reasonable transportation costs, flexible usage opportunities, and the need for minimum maintenance.

Attention is also given to the fact that increased imports of gas would also help to balance trade with the Soviet Union, would increase export opportunities, and would promote increased employment by adding several thousand permanent jobs.

10576

CSO: 3617/38



## BRIEFS

ELF CLOSES REFINERY--Elf has closed down the refinery at Valenciennes. The refinery, with a 3.5-million-ton annual capacity, has been shut down since last month and is being used only to warehouse oil products. Both administrative and technical preparations for this conversion have been made over the past few months, with the decision to close it rather than the Gargenville refinery near Mantes having been made a long time ago. The shutdown does not create any labor problems, as the employees were reassigned. This is the third French refinery to close down because of excess capacity. The plants at Dunkerque and Hauconcourt in Lorraine met with the same fate earlier. No additional refineries are scheduled to be closed down in France at present, but the pattern can still be seen in a number of European countries. [Text] [Paris LES ECHOS in French 18 Nov 82 p 6] 9805

ELF IN MALAYSIA--The Malaysian Government oil company, Petronas, has signed a contract with the national enterprise Elf-Aquitaine for offshore exploration and development of 12,560-square-kilometer area. The region is located 170 kilometers northwest of Bintulu, near the Luconia gas fields, at depths ranging from 60 to 150 meters. The contract stipulates a 5-year period for exploration, during which time Elf-Aquitaine is to invest about \$42 million in research, and a 15-year period to pump the oil and gas. [Text] [Paris LES ECHOS in French 15 Nov 82 p 6] 9805]

CSO: 3519/130

## BRIEFS

LARGE NEW OIL DEPOSIT--Kavala, 10 December (from our correspondent). The oil deposit located at a depth of about 2,000 meters during the drilling of "Ammodis 2" in the Kavala Bay is a large one according to computerized data processed by the North Aegean Oil Co. To find the whole area of the deposit the company will try 3-4 more drillings as soon as the trial drilling at 2,800 meters is completed and the combustion tests are made. The new deposit contains oil of special gravity and high sulfur percentage as the samples taken from similar depths show. There is a possibility that the size of the new deposit area may be greater than that of "Prinos." But nothing is definite up to this moment since a number of other time-consuming procedures must be done. [Text] [Athens TA NEA in Greek 10 Dec 82 p 20] 7520

PRINOS OIL REJECTED--Kavala, 9 December (from our correspondent). The Aspropyrgos refineries rejected 60,000 tons of oil from the Prinos deposit as being unfit and unprofitable for refinement. A sample of this oil was sent to the state chemical laboratory where its analysis showed that it contained a large quantity of hydrogen sulphide which can cause organic harm and other unpleasant complications to the human body. If finally the refinery refuses to accept this load, the NAPC [Company] will ask for permission to export it on the basis of the existing bilateral agreement. [Text] [Athens TA NEA in Greek 9 Dec 82 p 18] 7520

CSO: 3521/124

## FEDERATION OF DANISH INDUSTRIES WARNS OF RAPID EXPANSION IN STATE DEBT

Copenhagen BERLINGSKE TIDENDE in Danish 15 Dec Sect II p 2

[Article by Frank Dahlgaard]

[Text] Despite major savings in the budgets of the public sector, the state debt will expand rapidly in the course of the coming year.

This statement was made by the chief economist of the Federation of Danish Industries, Jørgen Hansen, who, in an article in the newly published periodical of the Federation of Danish Industries DANSK INDUSTRI presents the following shocking figures:

Despite the savings now carried through and the pension tax and the real interest tax, the total debt of the state will nevertheless increase from 275 billion kroner today to 475 billion kroner by the end of 1984!

Without the intervention on the part of the government, the state debt would, however, have increased to 505 billion kroner by the end of 1984.

Jørgen Hansen, chief economist, concludes that it is extremely difficult to improve a state economy which is undergoing such a rapid deterioration as the Danish economy.

The total debt of the state is today 275 billion kroner, corresponding to a share in the state debt on the part of each Danish family of 100,000 kroner. And the debt is growing all the time, Jørgen Hansen points out.

In 1982, the deficit of the state will amount to approximately 60 billion kroner, 25 billion kroner of which are interest payments on the state debt. Each time the state today receives 1,000 kroner in revenue, it spends more than 1,400 kroner.

The main part of the difference between the revenues and expenditures is financed through the sale of state bonds, and as the rate of interest on these is 20 percent, the interest costs of the state have undergone a rapid and self-increasing growth.

Jørgen Hansen goes on to say: "In 1975, the Anker Jørgensen government took over an economy without debt. When, in the fall of 1982, Anker Jørgensen

resigned, the state debt amounted to 250 billion kroner. And at the end of this year the debt amounts to 275 billion kroner."

Jørgen Hansen describes the interest costs as the 'young cockoo of the government finances,' because they grow so rapidly and will push aside an increasing number of the usual expenditures of the state.

7262

CSO: 3613/37

## BRIEFS

FIRST DROP IN PUBLIC OUTLAYS--For the first time in many years, the expenditures of the state will, in 1983, drop by 0.2 percent instead of constantly increasing. This will happen at the adoption of the government's budget for 1983 today. Throughout the day yesterday, the Folketing was voting on hundreds of proposed amendments which, among other things, will mean a reduction by 11 billion kroner in the budgetary deficit for 1983 of the former Social Democratic government. In the course of the debate yesterday, Finance Minister Henning Christophersen stated that the government had, indeed, experienced certain difficulties in carrying through its retrenchment measures, but he added that the government intends to reduce the deficit further in the course of 1984 beyond the 69 billion kroner which are expected to be the result in 1983. The new technical voting system of the Folketing passed its test yesterday in very complicated votings on the budget, but not all politicians did. The chairman of the Social Democratic Party, Anker Jørgensen, the chairman of the Socialist People's Party, Gert Petersen, and the chairman of the Center Democrats, Erhard Jacobsen, made errors in voting, without this, however, having any effects in the form of altered majorities. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 16 Dec 82 p 1] 7262

CSO: 3613/37

## SEALING POPULATION THREATENED BY EXPECTED EC BAN ON SKIN SALES

Oslo AFTENPOSTEN in Norwegian 23 Dec 82 p 15

[Article by Jon Lie]

[Excerpts] Some 20 percent of the population of Greenland is threatened by the proposed EC ban on the sale of skins from young seals--10,000 people still live in the traditional way. They make a living from trapping, especially from seal trapping. The native Inuits catch mainly ring seals, Greenland seals, hooded seals and common seals, in addition to walruses, whales and polar bears. They have no alternative to trapping in the areas of fishing, farming and industry, Finn Lynge, Greenland's member of the European Parliament, pointed out.

The main source of nourishment for the Greenland trapper population is seal meat, but since they live in a developing society, they have needs that were unknown to the old Eskimoes, they need rifles, ammunition, books, radios, wrist watches and such things as medicine and certain European food products. Imported food makes it possible for Inuits to live through periods when trapping is poor, periods that often led to famine among their forefathers.

To meet their "modern" needs, the trappers have to have money. And money can be obtained in only one way, namely through the sale of sealskins. They do not get rich in this way. The average income for a trapper's family has been 10,000 kroner a year. But this money has been a prerequisite for surviving in the traditional Eskimo way. Today the basis for their lives is threatened by the purchase boycott on sealskins in the EC area and in the United States.

Finn Lynge says that the Greenland trapping population has been hard hit for a number of years, especially by the Greenpeace anti-seal-trapping campaigns which have gradually destroyed the market for their only salable product. The problem is serious, especially since the environmentalists do not distinguish between skins from harp seals, which are newborn Greenland seals slaughtered off the coast of Newfoundland, and skins from fullgrown and nonthreatened seals from Greenland. One of the main reasons for the misunderstanding is that the animal that is known

as the harp seal in English is called a Greenland seal in a number of other languages and that has led the environmentalists to confuse Greenland trapping with the trapping of baby harp seals in Canada.

The anti-sealskin campaigns resulted first and foremost in a dramatic price decline on the international market. This has led to an extremely difficult situation for the trapping population in North and East Greenland where people have had their incomes drastically reduced. The United States banned sealskin imports a few years ago, the Netherlands did so last year and now comes the EC measures which will mean the closing of a door and the end of all sealskin exports. In practice the alternative for thousands of trapping families will be an existence on welfare in Godthab.

"For us Greenlanders, this is a bitter and ironic development," said Finn Lynge. "We have encountered one European interloper after another throughout our history. If we ignore the colonists, the missionaries, the trading companies and all the rest, we can point to the fact that it was the Europeans, especially the Netherlands, who in the course of 400 years brought our whale population to the verge of extinction. They were the ones who destroyed the basis for the traditional Eskimo whale catch, which had never threatened the balance of nature. To soothe their own guilty consciences, the Europeans are now trying to stop the trapping of a nonendangered group of seals that are trapped by the same native population. This could wipe out the traditional Eskimo culture. When will the white man's imperialism come to an end?" asked Finn Lynge.

"We know that the aim of the environmentalists is to maintain nature's own balance. We respect that; it is our goal too. Our whole existence depends on that balance and we would never dream of endangering any mammal, fish or bird with the threat of extinction. On the other hand, we will not put up with having our own existence threatened due to poorly-considered campaigns that seem to feel that it is immoral to use meat and skins from seals, while people happily continue to eat meat from pigs and cattle and to make briefcases and gloves out of the hides," said Finn Lynge, who is leaving the European Parliament.

Greenland is withdrawing from EC next year. Perhaps that should not be so surprising.

Environmentalists: Battle Almost Won

It is doubtful whether Norwegian shipowners will take a chance on outfitting seal-trapping expeditions without state support this winter. With the EC proposal to ban sales of skins from baby seals--so that each country can take steps to stop imports--the environmentalists in Greenpeace and other organizations are well on the way to winning the battle over seal trapping, AFTENPOSTEN was told. Norwegian and Canadian seal trappers will be affected to the greatest extent, while the most serious consequences of the boycott can occur in Greenland, where the trapping

population depends on the sale of sealskins in order to get cash. The Inuits do not catch baby seals, but they are still being hit hard by the boycott, because buyers in Europe and the United States do not distinguish between skins from baby and adult seals, the campaign has been waged against sealskins in general. And as people have pointed out, if seal trapping is suppressed and the sales channels are blocked, it will not be possible to process and sell the skins of adult animals either.

But it is not exclusively the anti-seal-trapping campaign that is responsible for declining exports and low prices. Sealskin is a luxury item and the decline is also connected to the economic decline in Western Europe. Sales also depend on fashion trends.

6578

CSO: 3639/41



## TURKEY-EEC AT LOGGERHEADS AGAIN

## Pasin Throws Out Gauntlet to EEC

Istanbul DUNYA in Turkish 19 Nov 82 p 8

[Text] Ankara (ANATOLIAN AGENCY) -- Minister of State Sermet Refik Pasin has said, "Turkey will have an economic structure by 1984 that will [not] require foreign credit aid. Developments confirm this."

Pasin said, in reference to foreign economic relations, "If the EEC will not accommodate us, we shall assess the situation and do what our interests require."

## Improvement Will Continue

Noting that "the Turkish economy has sustained its positive development this year," Pasin asserted that "improvement is continuing and will continue."

Minister of State Sermet Refik Pasin went on to say:

"Turkey received the credit it needed in 1982 from the IMF and the World Bank. The OECD credit contract meetings are not yet over.

"The countries which have not specified pledges will make known their probable pledges at the meeting to be held in Paris in December.

"The Turkish economy has sustained its extremely positive development in 1982. It will continue to improve.

"Our balance of payments deficit will also continue in 1982, but it will be smaller than in past years. For this reason, we will still have need for a certain amount of foreign credit next year.

## Basic Target: 1984

"Our basic target is for 1984. Turkey will achieve equilibrium in 1984-1985; the positive developments will become concrete by then. Turkey will have an economic structure that will not require foreign aid by this time. Developments confirm this."

## EEC Relations

Minister of State Sermet Refik Pasin gave this answer to a question about Turkish-EEC relations:

"There are visible tensions in Turkish-EEC relations. We had \$1.5 billion in exports to EEC nations in 1981. On the other hand, our imports from them amounted to \$2.5 billion. Obviously, we have a \$1 billion deficit. Our economic interests require that we balance this. If we are given no accommodation, there will be tensions in our relations with the EEC, the existing tensions will increase.

"Our textile exports are creating difficulties between us and these nations; we have to protect the troubled branches of our industry. If the EEC will not accommodate us, we shall assess the situation and do what our interests require."

## GATT Meeting to Deal with Improving World Economic Crisis

Minister of State Sermet Refik Pasin said that the "GATT Conference of Signatory Parties" to be held 24-27 November in Geneva, Switzerland, would "take up measures to improve the world economic crisis."

He said that he will also "hold bilateral discussions on economic relations while in Geneva for the GATT meeting."

## World Economic Crisis

Minister of State Sermet Refik Pasin said:

"The Conference of GATT Signatory Parties in Geneva is an annual occurrence. However, we are meeting at the ministers' level.

"The world is in an economic crisis. The troubled state of tight world trade will be taken up at the meeting and corrective measures will be discussed.

"I will also hold bilateral discussions on Turkey's foreign economic relations as time allows prior to the meeting. Eighty-eight member nations of GATT will attend the meeting to be held 24-27 November in Geneva. Thailand has finally joined GATT also. I shall be returning to Turkey on Thursday, 2 December, after completing my contacts in Geneva."

## Government Toughens Position on EEC

Istanbul DUNYA in Turkish 13 Nov 82 p 1

[Text] Ankara (DUNYA) -- Prime Minister Bulent Ulusu's announcement of the government decision to apply counter measures against the EEC made final at the government level the package of measures related to the gradual implementation "as the situation demands" of quantity restrictions and import duties on specific items.

As Turkish-EEC relations enter a "toughening period," Turkey may choose to raise customs duties in order to reduce imports from the EEC.

The Economic Affairs Supreme Coordination Council met throughout the week to hammer out the measures package that will be announced in a few days after getting the required approval of the Council of Ministers.

According to information obtained, measures to counter the import restrictions being applied by the EEC in violation of its agreements with Turkey were developed on the basis of article 5 of the joint protocol. Turkey has decided to take the protection measures allowed by that article in response to the practices that began with cotton yarn and proceeded to limitations on exportation of textile products.

Accordingly, by decision of the Council of Ministers, the periodic reductions in customs duties on goods imported from the community in particular will not be made and a formula for restricting imports by raising the duties instead will be applied.

The proposal formulated earlier among preliminary studies made by the State Planning Organization's EEC Office to "avoid purchasing from the community goods possible to import from other countries" was not considered "efficacious" vis-a-vis the existing import composition. On the contrary, the policy adopted was to continue contacts with the EEC on the one hand and "proceed with counter restrictions" based on the rights granted Turkey in the partnership agreement on the points on which "agreement cannot be reached" on the other. Accordingly, Turkey would raise customs duties as a "global" measure to counter the EEC's practices in violation of the agreements, directing this primarily towards goods of "critical" importance to the community in its exports to Turkey. Measures such as quantity restrictions and import duties, meanwhile, may be considered for other "specific" goods "depending on developments."

Article 5 of the Turkey-EEC joint protocol provides for the sides to appeal to the partnership council and request measures in cases of "customs duties, quantity restrictions and other measures of equal impact on commodity exchanges." The authorities interviewed say that "Turkey has taken the stance to date of fulfilling this clause and has tried to resolve the problem with good will through negotiations." The authorities note that "when this position failed to produce results, it was decided to exercise the rights arising from the agreements." The second paragraph of article 5 of the joint protocol grants authority to take the necessary protective measures "to the side which, if changes in the composition of commodity exchanges or economic difficulties occur, feels that they require urgent action."

8349

CSO: 3554/66

## CA MEMBER PROPOSES MINISTRY FOR PROBLEMS OF WORKERS ABROAD

Istanbul DUNYA in Turkish 8 Oct 82 p 8

[Text] Besir Hamitogullari who is a Representative from Mardin at the Consultative Assembly stated that the problems of Turkish workers living in West Germany are in fact the problems of the "Little Turkey" that can be found in Europe. He said: "A ministry to address these problems must be formed if they are to be resolved to the advantage of Turkey."

Following the change of government in Germany, problems facing Turkish workers have once again assumed urgency. We consulted Hamitogullari and sought his opinion concerning these problems. He said: "It is possible that Fascist circles will be encouraged by the latest change in government and that they will intensify their acts of violence and terror against Turks."

Besir Hamitogullari drew attention to the fact that there has recently been a steady increase in the number of Turks who have been killed or who have had their stores brought down or their cars destroyed by deliberately set fires. Saying that the policies of the Christian Democrats who recently came to power are laden with worrisome attributes, Besir Hamitogullari continued as follows:

"Prime Minister Helmut Kohl's cabinet does not have any attributes that are likely to give a sense of security to the Turks. In fact, Prime Minister Kohl has openly stated during his first press conference that the return of the Turks could be achieved before the early elections scheduled for 6 March 1983. At this time we are faced with the danger that the primitive violence and terrorism inherent to slogans such as "death to the Turks" and "out with the Turks" as used by Fascist circles in West Germany will be encouraged by the policy of the new government and grow greater in dimension as well as scope."

Besir Hamitogullari stated the following about the responsibilities that befall Turkey in connection with this matter: "In order to prevent the adverse effects that are likely to be

brought about by such an action, Turkey must be extremely well prepared, well informed and active. Actually, discussions concerning the return of our workers in Germany are not new. The Kohl government seems to be engaged in an effort to make this return appear as an attractive proposition. The economic and social rights of our workers which consist of things such as retirement withholdings, premiums for children and premiums for unemployment compensation must be secured without fail. It is necessary that the returns be conducted through a gradual process as opposed to a situation where masses of workers return at the same time. The social and economic rights of our workers should be secured in one lump sum."

Maintaining that the formation of a ministry to address the problems of workers in foreign countries is necessary, Hamitogullari completed his statement with the following words: "Although delays in doing this have been incurred, Turkey must demonstrate that it is extremely serious and well decided in matters pertaining to our workers. The current and future problems of our workers' community in European countries which we define as Turkey in Europe cannot be resolved through a coordinating commission formed in affiliation with the Prime Ministry. This task will require the formation of a ministry that can resolve the problems of our workers in foreign countries in a manner that is advantageous to Turkey. The numbers of our workers in foreign countries as well as the volume of their savings which are said to approach 25 billion dollars make it absolutely necessary that a ministry be established at this time. Actually, many of the problems confronting our workers in Germany originate from the fact that these workers have been left unheeded."

9491

CSO: 3554/30

## PAYMENTS BEGIN TO VICTIMS OF KASTELLI SCANDAL

Istanbul CUMHURIYET in Turkish 8 Oct 82 p 6

[Text] Payments are to begin next week to a majority of individuals who received bonds in return for their deposits to the Kastelli brokerage firm. The latest announcement from the Ministry of Finance has asked the companies which had their bonds marketed by Kastelli to indicate the names of the intermediary banks by no later than 14 October. It appears that the companies in question have accelerated the preparation of the required paperwork since the announcement. However, it also seems clear that certain companies have been unable to indicate an intermediary bank even though a period of only one week remains before 14 October.

According to information that we have obtained from the headquarters of companies which marketed bonds through the Kastelli firm and from the banks that are to serve as intermediaries in making payments to the affected persons, a majority of the payments involved are to begin next week. Officials from Koc Holding have announced that the payments involving their bonds will begin on 11 October and that these payments will be handled through Garanti Bank. Meanwhile, officials from the Bank for International Industry and Trade have announced that they have been making interest payments in connection with the bonds issued by 8 companies belonging to the ECA group for the past 20 days. The officials have also stated that interest payments and bond replacements affecting the bonds issued by the Anatolian Industrial Group will begin on 11 October and that the payments involving the other companies which they represent will begin on 14 October. Akbank as well as Yapi ve Kredi Bank will begin payments on 14 October.

Payments to be made in connection with the bonds will be processed through exchange centers. While some banks are establishing exchange centers for this purpose, other banks will utilize their branch offices for the purpose of exchanging bonds as well as making interest payments and refunds on capital. It is being announced that the replacement of the bonds with



newly printed bonds will create certain problems. As it will be remembered, certain companies as well as the four large holding companies (Koc, Sabanci, Cukurova and Anatolian Industrial) had opted for the replacement of the older bonds as opposed to continuing the transactions involving these bonds. These companies had chosen the option of ordering the printing of new bonds with attached monthly interest coupons. At this time, bond holders must replace the bonds that they hold with new bonds to be obtained from exchange centers at the banks that will serve as intermediaries. Because a portion of the coupons attached to bonds currently held by former Kastelli depositors had been removed by Kastelli before these bonds were given to their owners, bondholders with missing coupons will have to obtain certificates from the Directorate of Movable Goods.

Another problem is faced by the bondholder who appears at the designated exchange center with his bond and the required certificate. It is well known that a large portion of the bonds are subject to a five or six year amortization program. Serial numbers for old and new bonds must be matched in the case of bonds affected by such a program. If this were not done, bondholders would suffer losses or unduly benefit in connection with their opportunities within the amortization program.

The information that we have been able to determine about the amounts and dates involved in connection with the bonds that will be exchanged through the auspices of various banks may be summarized as follows: The Bank for International Industry and Trade will serve as an intermediary for payments in connection with approximately one quarter of the bonds marketed through Kastelli. According to information that we have obtained from Gurbuz Tumay who is one of the assistant general directors of the bank; the bank will serve as an intermediary in the case of bonds with a total value of approximately four billion liras. Two and a half billion liras of this amount consists of bonds issued by the Anatolian Industrial Holding Company. Exchange and payment procedures affecting bonds issued by this group will begin on 11 October. Payment procedures have been in progress for the past twenty days in the case of bonds issued by eight firms affiliated with the ECA group. These bonds have a total value of 650 million liras. Payments and exchange procedures will begin on 14 October in the case of 120 million liras worth of bonds issued by Borusan, 200 million liras worth of bonds issued by Tupko, 210 million liras worth of bonds issued by Bayraktarlar, 200 million liras worth of bonds issued by Aksa and 60 million liras worth of bonds issued by MAT. These procedures will also begin in the case of still other companies who have had their bonds marketed through the auspices of this bank. In order to bring about the exchange of the bonds, the Bank for International Industry and Trade has established a center that

is distinct from the various branches of the bank. Following the exchange of the bonds at the center, the various branch offices of the bank will make repayments of principal and interest.

Garanti Bank will serve as an intermediary in the case of principal and interest repayments involving 1.7 billion liras worth of bonds issued by Koc Holding. Payments are to begin on 11 October. Procedures for the exchange of the bonds will be conducted at seven branch offices of the bank. In order to avoid confusion and as far as possible, the bonds issued by each company will be replaced with new bonds at a separate branch office. Interest payments will be made from all branches of the bank. According to information that we obtained from Kudret Yalcin who is from Koc Holding, more than half or 900 million liras worth of the bonds issued by this group are of a kind that can be converted into cash at any time after a 2 year period. In other words, the principal sums involved will have to be repaid at the end of 1982 or within the year 1983.

Yapi ve Kredi Bank will serve as an intermediary in the repayment of principal sums and interest involving a total of 2.3 billion liras worth of bonds issued by Cukurova Holding and the Turyag Group. Payments are to begin on 14 October. Exchange as well as payment procedures will be conducted at Yapi ve Kredi Bank branches in all provincial as well as major population centers that have branch offices of Kastelli, Mentas and Bimtas. Twenty-five branch offices of the bank are to provide services connected with this task.

Akbank will serve as an intermediary in the repayment of sums involving a total of two billion liras worth of bonds issued by the Lassa, Sasa, Kordsa and Kardan firms affiliated with Sabanci Holding. Exchange procedures will be conducted at one center. The Bahcekapi branch of Akbank has been designated as the location at which exchange procedures will be conducted. Bank branches at which payments will be made are to be announced in days to come.

9491

CSO: 3554/30



## TARA AIRS RESERVATIONS OVER PRIVATE SECTOR GOALS

Istanbul CUMHURİYET in Turkish 15 Nov 82 p 6

[Text] Istanbul (TURKISH NEWS AGENCY) -- Sarik Tara, chairman of the board of directors of Enka Holding Company, sees the proposals presented to the government in the report by representatives of the private sector as "too acquiescent."  
"These proposals are such as to revive inflation," he said.

The Enka chairman expressed the following views on the private sector representatives' report to the government:

"The matters on which I have information following the government and private sector representatives talks are such as to revive inflation as far as I can see. Inflation warrants more attention than these acquiescent proposals. Inflation is not just an element of imbalance, but at the same time prevents exportation. It is imperative for the development of the Turkish economy to draw inflation down to 20 percent-25 percent in 1983. The demand for cheaper credit caught my attention in particular. If credit costs are made cheaper, people will start buying refrigerators again thanks to negative interest and that will be followed by two-tier credit prices, that is to say, black market credit."

Assessing the general outlook of the 1983 economy after discussing the topics of the report submitted by private sector representatives to the government, Tara said, "The Turkish economy will not be bad in 1983," adding:

"Europe is having a bad time economically. We have the opportunity for cheaper imports in this period. Therefore, at a time when the European economy is going badly, the Turkish economy is going better, is improving."

Asked if he shared the view that competition among themselves of Turkish exporters on foreign markets had a negative impact on annual exports, Tara said:

"There are complaints about the cut-throat competition our exporters have entered among themselves. Speaking as one on the board of directors of the biggest exporter in Turkey, I say let our exporters fight it out, because we have reached this predicament because they have never fought it out. They will learn to compete in this way. It must be realized that there is no difference between the domestic market and the foreign market."

8349

CSO: 3554/59

## CAUTION URGED IN NEW NIGERIAN MARKET VENTURE

Istanbul CUMHURIYET in Turkish 15 Nov 82 p 6

[Article by Murat Kopru: "We Must Be Careful Entering Nigerian Market"]

[Text] Having undertaken an important export offensive in the past 2 years, Turkey has begun to turn to African markets as well as the Middle East. Nigeria stands out in this context owing to its extensive domestic market and rapid growth in imports as a result of the drive for rapid industrialization. The fact that Nigeria is a Muslim nation may have provided important facilities in that relations could be established more easily.

Aware of these advantages, Turkish businessmen engaged in various undertakings to increase their share of the Nigerian pie. Delegations exchanged visits, exhibitions and the declaration of special weeks were arranged to acquaint Nigerians with Turkish products, market research on Nigeria was published and protocols were signed.

## Annual 35-Fold Export Increase

The efforts quickly began to bear fruit. The \$352,000 in exports in 1980 multiplied 35 times in one year to reach \$11 million in 1981. In the first 3 months of 1982, exports to Nigeria were as high as \$9 million, showing that this country's importance to Turkish exports would grow even more.

There is, furthermore, another reason for the interest shown by Turkish industrialists and businessmen in Nigeria. Our businessmen hope to make this country a "springboard" to other African markets. The proposals for "economic ventures" in Nigeria stem largely from this also.

## Petroleum-Based Development Risky

Despite this steadily growing attraction on the part of our businessmen, Nigeria is on the brink of serious economic problems, and this makes it necessary to think more objectively about turning to this market. Nigeria, like the Middle East nations with its economic development based on oil income, is a nation vulnerable to all the risks that entails.

In fact, owing to declining world demand for petroleum in recent years, Nigeria's petroleum revenues and therefore its foreign reserves have fallen dangerously and it is reportedly having difficulty meeting payments and preparing to reduce imports by one-third to parallel declining income.

Declining oil income, which accounts for 80 percent of state revenues and 96 percent of export income, led to a gradual worsening of Nigeria's balance of foreign payments. When foreign trade, in excess of \$5.5 billion in 1980, began showing an annual deficit of \$5 billion in 1982, Nigeria's foreign reserves were rapidly depleted. Its reserves of \$7 billion at the end of 1980 fell by half to \$3.7 billion by the end of 1981. By mid-1982, the alarm was sounded as the central bank had \$1.16 billion in its coffers. This was enough to cover only 1 month of Nigeria's imports.

This reversal in the foreign trade balance brought important problems to the agenda. When the central bank fell behind in its deposits of the foreign exchange equivalents in the foreign banks with which Nigerian importers were doing business, these banks stopped issuing letters of credit. Under pressure by agitated importers, the Nigerian central bank announced an appropriation of a \$210-million fund for deposit to those banks.

The government, meanwhile, is considering cutting back on import expenditures in order to hold foreign trade at a more tolerable balance. Imports will be reduced by one-third beginning next year for this purpose. This means a reduction of approximately \$480 million. The government has not yet announced the types of goods to which the restrictions will apply.

Meanwhile, Nigeria will reportedly seek \$4.2 billion in loans in 1983 either on the international money markets or at the government level through bilateral negotiations to remedy its foreign exchange problem.

8349

CS0: 3554/59

## GOLD ENVISIONED AS INVESTMENT RESOURCE

Istanbul DUNYA in Turkish 15 Nov 82 p 1

[Text] Ankara (DUNYA) -- The Central Bank will begin buying gold on the market, it was learned, in the wake of the Council of Ministers decision that the Central Bank should post gold prices.

With the annex to Resolution No 17 pertaining to the law on protection of the value of Turkish currency, the bank is expected, in addition to announcing the daily exchange rate value of gold, to enter open market procedures. The new system, requiring no direct intervention in the price of gold formed on the free market, will go into effect soon and the Central Bank will begin purchase procedures at the variable rate announced along with the foreign exchange rate value of gold. A top official at the Ministry of Finance said in this connection that the Central Bank's gold-oriented procedures would be applied "carefully so as not to create unnecessary disturbance" of the market.

In the Central Bank's gold procedures, the second stage of efforts begun in late 1981 to form a gold market and enable the channelling of accumulations on this market into investments through savings, those who wish may have the carat value of their gold confirmed by the Mint and Stamp Office. Purchases will be made "at the day's gold exchange rate value" from applicants appearing at the Central Bank with letters of confirmed value to make sales. Purchase fees will be paid at the time of sale.

The goal sought in the purchase of gold is summarized as to increase the supply of gold at the treasury, to enable savings to be "accumulated in variable funds convertible into investments" rather than in gold and "to make possible the export of gold at a future stage," and if this goal is achieved, it will be the second open market procedure realized in Turkey in the past 2 months. It had first been made possible to engage in open market procedures in bonds through the securities fund formed under the Capital Market Council. Now with this resolution it will be possible for the existing private gold reserve in Turkey to enter open market procedures other than speculative actions.

The Central Bank will begin trading in gold under article 53 of its founding legislation. The article says that "as the bank may trade in gold coin or ingot, it may import and export gold and may trade in gold futures." However, the bank has not to date engaged in procedures of this type domestically.

Once the new resolution goes into effect, the biggest drawback to Turkey's becoming a gold-exporting nation in the short term is its inability to convert gold into pure ingot. Conversion of the gold collected into 24-carat ingot will be accomplished by internationally approved melting and assaying firms.

#### How Will Gold Price Be Set

The Central Bank will set the current buying and selling price of gold according to the variables on international markets. Thus the value of 1 gram of 24-carat gold will be derived by multiplying the value of 1 ounce of gold in U.S. dollars by the exchange-rate value of the Turkish lira against U.S. \$1.00. This figure will then be divided into the gram equivalent of 1 ounce (31.1035 grams). Since the gold will be purchased according to the current exchange rate, there will be no question of profit or loss for the Central Bank and the equivalent value of the gold purchased will be entered in the "gold safe" account. Moreover, the Central Bank's existing gold will, according to the new system, be reckoned at the daily value and entered in the assets column of the balance sheet. Gold is currently selling for \$42.22 [as published] an ounce according to Central Bank records. Technical details of the procedure to be employed in the transition to the new system will be made known in the next few days.

#### Earlier Resolutions

According to Finance Ministry Communique Series 2, No 3/3 pertaining to Resolution No 17 now in effect, the bank credit value of irrevertible refined precious metals may be exported. One must apply to the Mint and Stamp Office for export. However, there has been no exportation to date owing to de facto obstacles arising in exportation.

The ability to begin gold exportation and the deregulation of foreign trade are being described as an important step towards convertibility of the Turkish lira.

8349

CSO: 3554/57

## VARLIK INTERVIEWED ON LABOR LAW, WAGES

Istanbul HURRIYET in Turkish 15 Nov 82 p 4

[Interview with Supreme Arbitration Council President Naci Varlik by Bulent Erandac]

[Text] Ankara (HURRIYET) -- Naci Varlik, president of the Supreme Arbitration Council [SAC], now a constitutional body, said in a special statement to HURRIYET that contracts covering 1.563 million workers had been signed since 3 April 1980, that similar contracts would be extended to newly opened workplaces and that the worker would not be deprived of the collective contract.

The organizations concerned in setting the minimum wage have completed their deliberations. The Minimum Wage Commission will meet under the chairmanship of Labor Minister Turhan Esener on Wednesday, 17 November, to decide how far above 10,000 liras the minimum wage should be set. According to the latest situation, the government expects the minimum wage to be 15,000 liras and the Turkish Confederation of Labor expects it to be 20,000 liras.

SAC President Naci Varlik said that the 1983 wage increase will be set in January. Noting that the 15-percent wage increase of 1982 had come out to 3,000 liras, Varlik indicated that the 1983 increase would be set on the basis of 20-percent inflation. Varlik said that in addition to the wage increase, consideration was also being given to a specific increase in social assistance. "If social assistance is lower than in recent years, it may be increased," he said.

The SAC has renewed contract no 3436 of 3 April 1980. It is now renewing contracts that expire in 1982. There are about 50 contracts left that expire in 1982. They will be completed by the end of the year.

The SAC is also reviewing previously renewed contracts that are expiring. Varlik said, "Contracts that began in 1979 or 1980 have expired. We are reviewing those."

#### Is It Adequate

SAC President Varlik revealed one fact: "The wage we are paying is not one to provide any luxuries. We admit this. But the economic realities compel us to think seriously. We would like to give the workers a higher wage increase if we could. If the economic order is strained, it will topple. Everyone has to make certain sacrifices if the Turkish economy is to recover."

Varlik then had this to say about his work: "If the labor laws pass and if the law to reorganize the SAC is passed, our council will become constitutional. If they are not, the Supreme Arbitration Council will continue to function until the Parliament is formed which is expected to happen early in November following the general elections to be held, at the latest, in October 1983."

The SAC president clarified for HURRIYET one matter that workers frequently telephone to ask about and which has concerned employers:

"New workplaces are opening up. There are no unions. There are no collective contracts. What will happen to them?... We have them under consideration. The Council of Ministers will issue extensions for them. A new workplace opens, perhaps in the chemical industry. We have a standard contract for the chemical industry. The SAC will prepare this contract for the new workplace and the Council of Ministers will adopt an extension resolution. In this way, no worker will be without a collective contract."

8349

CSO: 3554/57



## DAILY PROTESTS ROLANDIS' FOREIGN BUSINESS CONNECTION

Nicosia I SIMERINI in Greek 16 Nov 82 p 3

/Article by Al. Konseandinidis: "The Ministry and the Sheikh"7

/Text7 The confession of Foreign Minister Nikos Rolandis, which confirms the report of SIMERINI regarding his partnership with Sheikh Fahed Al Mohazil, Cyprus' honorary consul in Kuwait, raises a moral issue of tremendous dimensions both for the minister himself and the government of which he is a member. The issue is so serious that the immediate resignation of Rolandis is the least one could expect.

Rolandis admitted that Al Mohazil, our honorary consul in Kuwait, is now his partner and that this wealthy Arab has invested a large sum of money in a company controlled by the foreign minister.

In his statement published yesterday in the press in reply to SIMERINI's report, Rolandis says that "the attraction of foreign investments is a goal and objective of every government. This is even more true when the foreign capital comes from friendly countries."

The problem, however, in this case is not merely "the attraction of foreign investments." The problem is that the money was invested in a company controlled by the foreign minister. The problem is that the "investor" is the consul of the Republic of Cyprus in Kuwait (he is, that is, subject to the Ministry of Foreign Affairs). The problem is that shortly before A. Mohazil's decision to "invest" in Cyprus the Foreign Affairs Ministry issued this laudatory statement:

"Sheikh Al Mohazil is a distinguished citizen of his country, closely related to the dynasties of Kuwait and Saudi Arabia. He is the leader of one of the major houses in the Arab Gulf and his profits from all his enterprises total approximately 300 million dollars a year."

So a way should be found to get to Cyprus some of these 300 million. Fine, so far! The problem now is that Al Mohazil's "investment" landed nicely on the company controlled by Rolandis who just a short while earlier sang the praises of the sheikh. It is obvious, therefore, that Rolandis used his position in the government to attract capital to the company he controls, a fact which, as I said, creates a moral issue of tremendous dimensions.

In his reply Rolandis pretends also that he does not know how foreign investments should be made in Cyprus. He pretends he does not know what the proper procedure is in such cases. He pretends he does not know that in this specific case he did not follow the proper procedure and that the Central Bank termed the action irregular.

Rolandis confirms also in his reply the reports concerning the factory in Sierra Leone, explaining, however, that the management of this factory is handled by "certain" associates. But who are these "associates" who have the factory in Sierra Leone? How close "associates" are they? What other connections does Rolandis have with the factory in Sierra Leone or with his "associates?" When was the factory in Sierra Leone constructed? How was the foreign exchange taken out to Sierra Leone for the construction of the factory?

I wish to recall at this point the case of the three businessmen from Kuwait who visited Cyprus before 1978 at the invitation of the Ministry of Foreign Affairs and portrayed themselves as journalists. One of them was Sheikh A. Mohazil:

"Sheikhs Al Mohazil and Al Mardjukh and the latter's two close associates were invited by Cyprus, in the context of developing public relations and maintaining friendly contacts with foreign personalities" (statement by the Ministry of Foreign Affairs, 29 March 1979).

Is this not strange? Sheikh Al Mohazil comes here at the invitation of the Foreign Ministry with his friends who pass for journalists while in reality they are businessmen. Later on Al Mohazil becomes a business partner of the foreign minister!

It is imperative, I think, that this case be investigated thoroughly. The public must be told all the details of this case. For example, how much did Sheikh Al Mohazil invest in Rolandis' company? How was the decision made to allow the transaction? When exactly did the "investment" take place? Why did the sheikh select the company of the foreign minister?

This is the second time the name of a cabinet member in the Kyprianou government has been directly involved in such an affair. The one before was the grant of tourist land in Agia Napa valued at a million and a half Cypriot pounds to the Minister to the Presidency Stelios Katselis.

Public opinion must wake up at long last and react to this because if it tolerates everything, saying, "who cares," those who govern us, who are not yet sheikhs but want to be, will lose all restraint thinking that they can do anything they want and be accountable to no one.

7520

CSO: 3521/94

## FACTIOUS SOCIALIST LEFT PARTY VIEWED ON ANNIVERSARY

Copenhagen BERLINGSKE TIDENDE in Danish 15 Dec 82 Sect II p 1

[Commentary by Solveig Rødsgaard]

[Text] The Socialist Left Party, which, these days, is celebrating its 15th anniversary, is struggling with many problems. One of its problems is a declining opinion poll figure. This does not cause too much worry to the party. Another problem is the growing 'laborism' movement. That is a serious problem, says Preben Wilhjelm.

The factious Socialist Left Party is, these days, celebrating its 15th anniversary. It is a mystery to many people that the party has been able to remain united for so long. However, one of the presents received by the party at its anniversary was, indeed, a statement from the Socialist Left Forum faction to the effect that the formation of local Forum groups is the last chance of saving the Socialist Left Party.

It is difficult to determine whether the party is really on the verge of disintegration. Some of the veterans of the Socialist Left Party claim that there has been talk of disruption of the Socialist Left Party ever since the party disrupted the Socialist People's Party 15 years ago. However, it is recognized that one of the most serious problems to the Socialist Left Party is the growing 'laborism' movement. And, here, the Socialist Left Forum faction seeks to intervene by forming local groups "which make it possible for people to do the things which they themselves find politically important without first having to discuss them in relation to all kinds of resolutions and other rules adopted centrally concerning the priority of local party work," as stated by Birgit Søderberg of the Socialist Left Forum to POLITISK REVY.

The Socialist Left veteran, Preben Wilhjelm, member of the Folketing, puts it in the following way to BERLINGSKE TIDENDE: "The movement which in the left wing is referred to as 'laborism' is a very serious problem. The fact that the only legitimate procedure seems to be to argue for and to discuss the problems on the basis of the situation of wage-earners and their collective bargaining demands. This is untenable for a party. For example, we need a cultural policy and a social policy as well."

Like the other Socialist Left veteran, Steen Folke, member of the Folketing, Preben Wilhjelm is also active within the Socialist Left Forum. The faction is not a Socialist Left faction as such since it includes people who are not members of the Socialist Left Party. But it seeks to create a broader Socialist Left debate for those active within the left wing.

#### Democracy

The actual reason for the formation of the Socialist Left Forum was the defeat of Preben Wilhjelm's and Klavs Birkholm's proposal for a resolution at the Socialist Left party congress in May on democratic rights. That was the draft resolution which established that it will be entirely out of the question to limit the democratic rights toward the former rulers once socialism has been introduced in Denmark on the conditions put forward by the Socialist Left Party.

This was the second time that Preben Wilhjelm was defeated at a Socialist Left party congress on that issue. However, he says himself today that although he is not satisfied with the outcome of the congress, "one does not either find any other party today which has gone as deeply into the debate on democratic rights and intervention as the Socialist Left Party, and there is much less vacillation on that issue today than there was a couple of years ago."

#### Members Breaking Away

The Socialist People's Party will be celebrating its anniversary at Forum next Saturday. The party was formed on 17 December 1967, after six left-wing members of the Socialist People's Party on 15 December committed a breach of the party discipline in voting against the Krag government. The most well-known of the six members were Hanne Reintoft, Pia Dam and Erik Sigsgaard. Hanne Reintoft shortly thereafter joined the Socialist Working Group together with Kai Moltke and, in 1970, ended up in the Communist Party. Pia Dam is no longer in politics. Erik Sigsgaard is still a member of the Socialist Left Party but is no longer in the forefront.

#### Preben Wilhjelm

Preben Wilhjelm was one of the founders of the Socialist Left Party, and together with Steen Folke he has been the foremost representative of the parliamentary work of the Socialist Left Party. However, the Wilhjelm syndrome haunts the Socialist Left Party, and far from everybody believes that he is the very person to represent the political line of the Socialist Left Party. Characteristically, Preben Wilhjelm has not for the last decade belonged to any major faction within the Socialist Left Party.

However, there is no doubt that it will be a loss to the Socialist Left Party when Preben Wilhjelm and Steen Folke leave the Folketing in the next election. They will fall as victims to the so-called rule of rotation of the Socialist Left Party, according to which nobody shall sit in the Folketing for more than 7 years. The 7-year period for Preben Wilhjelm and Steen Folke expired in January of 1982--but since the election took place in December of 1981,

they were given another election period. However, the next time it will be their turn to leave the Folketing, and many people within the party will regard this with equanimity.

It will be a major change for Preben Wilhjelm personally. He has a master's degree in nuclear physics, but he has got no job to return to.

#### New People

The representatives of the Socialist Left Party in the next election period--if the party does indeed get into the Folketing, which it probably will--will be Jørgen Lenger, member of the town council of Århus, and the three present members of the Folketing, Anne Grete Holmsgård, Mikael Waldorff and Steen Tinning. If the Socialist Left Party gets more than four seats--for representation in the Folketing, a party must have more than 2 percent of the total vote--Elisabeth Bruun Olesen will be the fifth member of the Folketing and Jens Karl Jensen the sixth member.

Each year, the Socialist Left Party prepares a so-called List of the Top Twenty, which comprises the twenty candidates nominated for the coming election, and since number one has to choose his constituency first and number two next, etc., the first few candidates will always be certain to be elected--if the party is represented in the Folketing.

#### Work Outside Parliament

Today the Socialist Left Party has five seats in the Folketing, but the Gallup poll figures show a declining trend. The Socialist Left Party had the highest number of seats--six--from 1979 until the election in 1981. The Socialist Left Party has a couple of thousand members.

Officially, this does not worry the Socialist Left Party too much. Many members of the Socialist Left Party claim that the most important thing for the Socialist Left Party is the work outside parliament. And, here, many have got plenty to do in the competition with the Socialist Workers' Party, for example, among the housing activists.

7262

CSO: 3613/37

## CONTRASTING POLLS ON MARCH ELECTIONS ANALYZED

Hamburg DER SPIEGEL in German 13 Dec 82 pp 22-23

/Text/ In the course of just a few days two public opinion institutes made the headlines by issuing contradictory figures.

The Allensbach Institute for Demoscopy reported that the CDU/CSU would, as of this moment, receive 51.1 percent of the vote and, therefore, the absolute majority.

Commissioned by the Second German Television Service, the Mannheim "Election Research Group" discovered that the SPD would emerge the strongest party with 46.2 percent. In fact SPD candidate Hans-Jochen Vogel could be fairly sure of replacing Helmut Kohl in the chancellery, provided he could recruit the Greens for his side. According to the "Research Group," their 6.6 percent would give him a working majority in the Bundestag. The distance to the CDU/CSU is said to amount to 8.6 percent (see graph).

These and other public opinion institutes also supply different figures as to the trend of voters' opinions since the change of government. Allensbach recorded a trend favoring the CDU/CSU. The Union is said to have gained 3.7 percent in the period from early October to early November. The Bielefeld Emnid Institute, on the other hand, has been noting almost stagnant voter preferences for all parties in the last few weeks. The "Research Group" for its part noted that the SPD was doing better in November than in October.

All institutes essentially agree the data for the two smaller parties. According to them the Greens have a very good chance to make it into the Bundestag while the outlook for the FDP is almost zero. Since the change of government no institute has allocated it 5 percent, let alone more.

Still, as far as the two major parties are concerned, the results of the various polls are not quite so contradictory as they would appear at first glance. Both the Allensbach and Mannheim "Research Group" people supplied something like the extremes, the data of the other institutes fall somewhere in between.

All institutes are agreed that--assuming a normal election campaign--the CDU/CSU will emerge the strongest party on 6 March next. Even the "Research Group" expects that, although it currently reports a greater percentage for the SPD than for the Union parties.



The following is the explanation for this discrepancy: According to "Research Group" member Wolfgang Gibowski, the Mannheim pollsters are convinced that their own figures should "not be taken at face value." Other than the other institutes they think that the question of party preference "measures moods rather than votes."

Indeed, at all institutes the answers yield mere raw data that offer no realistic reflection of voters' opinions. For years more federal citizens have claimed in polls to be SPD voters than is in fact the case. Despite passionate disputes among the experts, nobody has as yet come up with a satisfactory explanation of this phenomenon.

The institutes therefore "weight" the answers to the so-called Sunday question ('what party would you vote for if Bundestag elections were to be held next Sunday?')\* Only the "Research Group" rejects this method as a matter of principle. While the others convert the figures, the review theirs and compare them with other polling and election data. Based on these reflections the "Research Group" assumes that the CDU/CSU might currently expect about 47 percent, the SPD 42-43 percent of the vote.

These figures are not very different from those issued by other institutes. The last three Emnid polls, for example, recorded 49-51 percent for the CDU/CSU and 39-41 percent for the SPD.

Consulting their own figures, the Allensbach pollsters do not doubt a CDU/CSU victory in March. All other public opinion institutes consider the election fairly open --always provided the FDP fails to take the 5-percent hurdle. Emnid expert Peter Schoeppner, for example, assumes that the Union parties will gather more votes than the SPD and the Greens combined. The 'Research Group's' Gibowski considers the reverse more likely.

In its November poll the "Research Group" asked those polled to rate the parties and leading politicians on a scale ranging from + 5 to - 5. The same question was asked in October by both the "Research Group" (on behalf of the Second German Television Service) and Emnid (for SPIEGEL). A comparison shows that almost nothing has changed in that month.

The Mannheim institute's November poll ascertained ratings of 1.4 each for the SPD and CDU. The CSU figure also is positive (+ 0.3), while negative figures resulted for the FDP and the Greens (- 0.8 and - 1.4 respectively).

Federal Chancellor Helmut Kohl is still not so popular as his predecessor, his opposing candidate and the most important competitor in his own party.

The data: Schmidt is rated at 2.5, Vogel at 1.4, Stoltenberg at 1.3 and Kohl at 1.0.

The two leading politicians plagued by a minus are Strauss (at - 0.1 percent just below zero) and Genscher with by far the lowest rating (- 0.8).

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\* The institutes also inquire about the party chosen at the last election. The statements on current party preference are "weighted" to the extent that the poll diverges from the actual election result.



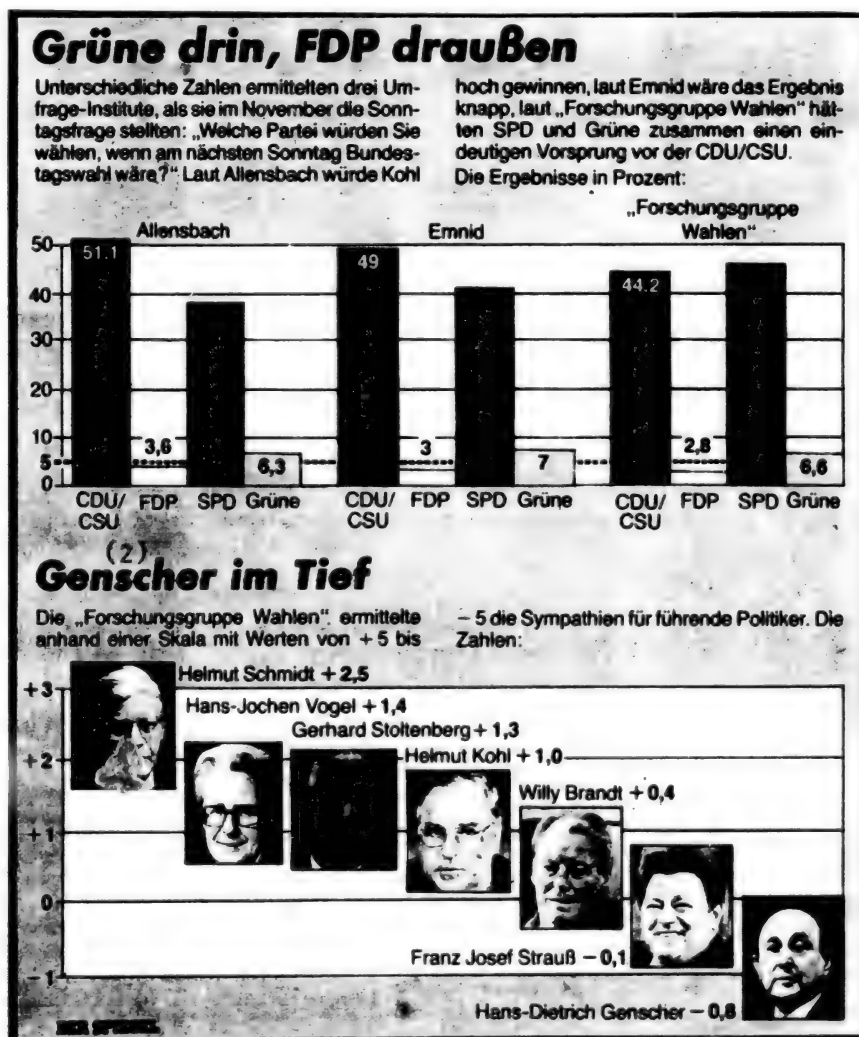
According to Gibowski the relatively poor rating of Kohl and the abysmal rating of Genscher "still reflect the disappointment felt by many federal citizens about the way the change-over in Bonn came to pass." However, the data of the opposing side are unlikely to remain quite so favorable.

Schmidt's image is beginning to fade; he is not quite so popular anymore as shortly after his overthrow in October (he lost 0.3 points, more than anybody else), and Vogel is likely to lose the sympathy of Union and FDP voters once the election campaign gets underway, and opinions about parties and politicians begin to polarize.

The CDU/CSU obtains better ratings when their competence for problem solving is at issue. The Union is clearly preferred to the SPD with regard to such fundamental problems as the lowering of unemployment and efforts for price stability.

Public opinion also favored the Union parties when the question concerned the prospects for the elections on 6 March next. Some 59 percent of federal citizens expect the CDU/CSU to win either alone or with the FDP. Only 27 percent believe in a victory of the SPD, either alone or with the Greens.

Graph



Key:

1. Greens in, FDP out

Three public opinion polls yielded divergent figures when they asked the Sunday question in November: "What party would you vote for if Bundestag elections were to be held next Sunday?" According to Allensbach, Kohl would win comfortably; according to Emnid the result would be a narrow majority for Kohl; according to the "Election Research Group," the SPD and Greens together would have a definite advance over the CDU/CSU. The results are shown as percentages.

2. Genscher in the Dumps

The "Election Research Group" ascertained ratings for leading politicians by using a scale ranging from + 5 to - 5. The figures are:

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CSO: 3620/139

## STALINIST ORGAN ATTACKS MODERATE CP PAPER

Helsinki: TIEDONANTAJA in Finnish 23 Nov 82 p 2

[Editorial: "Information Chief Studies"]

[Text] KANSAN UUTISET is beginning to become an extraordinary newspaper in the true sense of the word. Sometimes KANSAN UUTISET criticizes KANSAN UUTISET for absurd articles on the devaluation package, for example; sometimes the newspaper writes such nonsense about the SKP [Finnish Communist Party] Central Committee that even the crows laugh, nonsense such as statements that the "minority" has supposedly rejected all the points contained in the social package, and so on.

The culmination is perhaps the SKP's press secretary's, or information chief's, study of a comparative study on people's satisfaction with the government and government policy. The chief is looking at issues with a magnifying glass and concludes what he concludes. But such an issue as people's voting behaviour, or for whom and for what party the people will vote, remains outside of this study. Since this does not prove anything but the fact that People's Democratic support is decreasing. This does not prove anything.

10576

CSO: 3617/38

## MODERATE CP ORGAN DEFENDS COALITION ROLE

Helsinki KANSAN UUTiset in Finnish 23 Nov 82 p 2

[Editorial: "A Clear Stand"]

[Text] The devaluations and the economic policy decisions connected with them have caused serious uneasiness and rather confused states of mind within the People's Democratic movement. Even though SKDL [Finnish People's Democratic League] representatives opposed these decisions in the government and at a meeting of the bank's board of directors, there were many among the active membership who questioned participation in a government making these kinds of decisions.

However, those feelings of the moment did not become the prevailing opinion. According to a recently completed opinion poll a full 94 percent of the constituency of the People's Democratic movement is of the opinion that the movement should participate in the next government. This result reinforces the fact that the leftist workers' movement places much value on that class struggle which is being waged in government policy.

This is not, of course, any kind of an evaluation of a concrete attitude toward government policy. Large differences particularly in the area of economic policy have prevailed between the SKDL and the other ruling parties of the government. However, the government cooperation of the left and the center has been highly valued within the People's Democratic movement since it has meant security in a foreign policy as well as domestic policy sense. This basic position has been preserved in the People's Democratic constituency.

The discussion of the attitude toward post-devaluation decisions was concluded after a decision of the parliamentary faction and a weekend meeting of the SKP [Finnish Communist Party] Central Committee. The vote taken in the Central Committee, for its part, indicated that the party will oppose a reckless auctioneering policy, which the movement's minority represents in these matters, as well as severely criticize those decisions which the government's majority has made in recent weeks.

10576

CSO: 3617/38

## CP CHAIRMAN KAJANOJA ADMITS CONCERN OVER PARTY RIFT

Helsinki KANSAN UUTISET in Finnish 28 Nov 82 pp 9-11

[Interview with CP Chairman Jouko Kajanoja by Esa Alander, date and place not specified]

[Text] It is a gray day. And a bad feeling. A few days ago HELSINGIN SANOMAT alleged that the clarification of issues in the SKP [Finnish Communist Party] is taking up too much time from Labor Minister Jouko Kajanoja. The minister's duties are not being accomplished.

Now the minister is sitting in VIIKKOLEHTI's sauna and throwing water on the rocks. Even with a vengeance. He is concerned: what if the ministry is suffering from this. Who knows, at this particular moment government office chiefs and chief inspectors are in need of the "walking symbol of unemployment".

But, on the other hand: this is that day of the week of which Jouko Kajanoja devotes a portion to managing the affairs of the SKP's chairman.

This time he is not taking from the Labor Ministry, now he is taking from the SKP.

In the dressing room of the sauna Jouko Kajanoja sips Vichy water from a paper cup and seems to be everything but dejected. He admits that being the symbol of unemployment in connection with his duties as a minister causes him anguish.

"However, in my opinion it would not have been right to turn down the labor minister's portfolio because of this since it was being offered to a People's Democrat," states Kajanoja.

[Question] When you were elected chairman of the SKP, you announced quite emphatically that you would resign from the Labor Ministry. However, you are still a minister. Why?

[Answer] This is true. I did, indeed, promise to leave the ministry. But I have been persuaded to remain by the argument that a change of ministers in this situation would not be a good thing from the point of view of business.

[Question] But is this not also a question of credibility? You gave a promise rather emphatically, and you have not kept it.

[Answer] Even this is true. And I am of the opinion that my staying on as a minister cannot continually be justified by situations which make a change impossible. Such situations can be endless.

[Question] Which job now suffers the most, that of labor minister or chairman of the SKP?

[Answer] Managing the affairs of chairman of the SKP is unconditionally that which is suffering from this division of labor.

#### HELSINGIN SANOMAT Attacked SKP

In Jouko Kajanoja's opinion the article in HELSINGIN SANOMAT was in reality an attack against the SKP.

"The attitude of the bourgeois press toward me is quite interesting. When I became a minister, the bourgeois press was somewhat bewildered, but their writings were, for the most part, positive.

"But after I was elected chairman of the SKP an abrupt change in attitude took place. They began to create a rather negative image of me even though my performance in the ministry had not changed at all. As a matter of fact, even HELSINGIN SANOMAT thus attacked the SKP and its chairman."

[Question] One aspect of the article in HELSINGIN SANOMAT was the argument that Communists and People's Democrats have been given preferential treatment in appointments to the Labor Ministry. Has a Communist mafia established itself in the ministry?

[Answer] This kind of an allegation has nothing to do with the truth. People's Democrats and Communists have been systematically discriminated against in official appointments. If a few are then appointed, immediately there is talk about a mafia.

As far as the efficiency of the ministry is concerned, I believe it will withstand comparison with any other ministry. I have previously worked as an official in various ministries so that I am able to make a rather objective evaluation.

[Question] You have said that the Labor Ministry's capability of reducing unemployment is quite insignificant. Thus in this situation would it not be all the same even if the minister were a member of the Conservative Party?

[Answer] Unemployment will not, in fact, be reduced by very much with appropriations from the Labor Ministry. What is fundamental is that not one ministry, not even the Finance Ministry, is able to have much effect. Indeed, decisions are made by the whole cabinet.

However, it is doubtful that a Conservative would even be interested in directing Labor Ministry appropriations correctly and effectively.

On the other hand, a Conservative could reduce unemployment figures. There is considerable pressure on the part of employers to purge the card files under various pretexts. A Conservative would certainly transfer those now classified as unemployed outside of the statistics.

[Question] It is argued that a large number of those in the card files are bums who only want to get out of work and receive unemployment compensation.

[Answer] This allegation has been studied quite thoroughly. According to the reports of the employment offices 5 percent of job applicants consists of those who have considerable problems with alcohol. A corresponding number seems to be made up of those who claim to be unemployed only for the purpose of collecting compensation.

Also the reports indicate that hopeless cases can be employed. For many people in this society work is the best therapy.

As long as we are talking about these matters, one must also remember that there are 50,000--100,000 hidden workers. Thus the actual unemployment figures are much higher than the statistics indicate.

#### Situation in SKP Is Not Good

[Question] When you became chairman of the SKP, you took on the task of healing the party. In what way have you succeeded?

[Answer] To be honest, it must be said that the situation in the party today is not good.

Indeed, a kind of healing process has been taking place the whole time at the basic level. In fact, this has occurred even before the 19th Congress. Party division is a phenomenon which has developed rather extensively at the leadership level.

However, the process entails the fact that when a step forward toward unity is made, it is also accompanied by a kind of setback.

[Question] Thus to quote Lenin: Two steps forward and one back?

[Answer] Exactly. Hopefully, it is not, however, one step forward and two steps back.

[Question] Would it have been better if the whole leadership of the party had been changed at the congress?

[Answer] That would not have been possible. Unity cannot be accomplished by remaining outside of the prevailing majority and minority traditions. Unity must be found between them and the party leadership must reflect that totality which comprises the party.



[Question] What is now the primary hindrance to party unity?

[Answer] The parliamentary elections are one factor which will have a negative effect. The various factions want to secure their own success.

In the summer when I was thinking about what the winter will bring, I at that time already understood that there are no realistic conditions for the abandonment of commitments and concerns connected with the elections.

[Question] What are your personal relations with the various factions like? Do all the members of the Central Committee greet one another?

[Answer] Yes, they all greet each other. There are no problems with respect to personal relations. But it is clear that those who have no hope for any kind of unity have a more indifferent attitude.

[Question] Is this indifference manifested by other than the minority?

[Answer] Yes. Indeed, a portion of the majority proceeds from the fact that the minority should be purged from the party leadership, and the traditional positions of the minority should not be taken into consideration at all.

In my opinion unity cannot be achieved by keeping the minority in the position of a kind of silent stockholder. Not everyone in the majority approves of this.

[Question] Tell me honestly whether the search for unity has been more difficult than you imagined when you agreed to become chairman?

[Answer] It has been more difficult. Even though a certain amount of aggravation was apparent at that time already, it seems now in the midst of the events that have taken place that it is worse than I could have imagined. It is, indeed, disagreeable.

There have been more negative aspects than I could have guessed. But I have not lost hope. Unity remains the main goal.

And the search for unity is not the only value in the party. Indeed, the party exists in this country for the reason that it is working on behalf of a better society. In discussing these internal issues only, we ignore the party's real task.

#### Wages Decreasing, Security Weakening

Kajanoja thinks that at the present rate of development Finland will soon enter into a new phase from a domestic policy point of view. Its main content will be a reduction in real wages and a dismantling of social security.

From the point of view of the workers' movement we are thus going backward, in the same direction in which many capitalist countries have already been headed for several years.

The types of economic upswings that have occurred so far are not in sight. Until now Finland has managed better than other countries, but this is no longer possible with previous policy.

[Question] You paint a gloomy picture. Are there no means by which such a development can be prevented?

[Answer] Yes, it can be prevented, but it will require considerable reevaluations. One must ask who will have to pay for the halt in capitalist growth.

All that is now being demanded runs counter to capitalist thinking. Higher incomes would have to be taxed at a higher rate than at present. Also the tax on luxury items would have to be increased.

By using these means it would not be necessary to dismantle social security, slower growth would be taken away from excess consumption.

[Question] Would the more fortunate consent to such cuts?

[Answer] The well-off have already made preparations for such a development during the good times. We are now seeing an unprecedented propaganda mill, which is operating in the name of international competitive ability.

Also the rebellion of the prosperous points to the fact that they see their own positions threatened and are preparing themselves for the new phase of development in the expected manner.

[Question] But has not the workers' movement also blinded itself in looking at the curves representing economic ups and downs without seeing anything else?

Indeed, this has been the case. The attitude of the Social Democratic Party leadership seems to be especially alarming in this respect. It is conducting a low-profile policy, in which the values of the workers' movement have been pretty much ignored.

Someone described the presidential election campaign of the Social Democrats by saying that its main content was Tellervo Koivisto's cooking recipes.

Labor disputes were previously managed in such a way that they were made into eleventh-hour cabinet issues. Now the chairman of the Social Democratic Party, Prime Minister Kalevi Sorsa, is already talking openly about a zero-growth policy.

The Social Democratic Party is striving to acquire the role of the party responsible for the economy. They have also seen future development and have decided to respond to it in their own manner. The Social Democrats are sliding from a leftwing party in the direction of a general party.

[Question] Does this mean that cooperation among the workers' parties will come to an end in the near future?

[Answer] Even though the situation in the Social Democratic Party is alarming, we must not react to this in the same manner as in 1948, or began a struggle against the Social Democrats.

To the contrary, we should be more forceful than before in promoting cooperation among the leftwing parties. Now we have been talking about cooperation of the left and the center, which is important in itself, and have forgotten cooperation of the workers' parties.

Of course, we should talk about what is coming if a change of direction is not accomplished.

#### Internal Situation Does Not Explain Everything

[Question] In recent years the support of Communists and People's Democrats has been undeniably on the decline. What are the reasons for this downhill slide?

[Answer] It has been customary to say that our internal difficulties are the main reason. But they do not explain everything.

A while back I heard about a study which was done in the Federal Republic of Germany on Marxist activities. In it, it was indicated that support for communist parties has become weaker in all of Western Europe.

The reasons for this development are many. One is that bourgeois brainwashing centers have once again become stronger since the slump they went into after World War II. This is certainly one factor, but even it is not sufficient to explain everything.

During the economic upswing in capitalist countries it was possible to achieve reforms, for which much credit belongs to the workers' movement. Now that there is a recession, rightwing trends are becoming stronger in a completely traditional manner.

[Question] Thus the future seems to be quite gloomy?

[Answer] Indeed, prospects must be found and they will be found. I believe that one key factor is the attitude of Communists to mass movements. We must make a clarification of the attitude we will adopt with respect to the state machinery, on the one hand, and to mass actions in people's movements, on the other hand.

Communists should be able to give a political interpretation to the goals of mass movements.

[Question] What kind of mass movements do you mean?

[Answer] The most visible segment is, of course, the peace movement, but they also include recent ecological movements, feminism, and many others.

There are many mass movements in production enterprises also, for example. They are the consequence of layoffs and reorganizations. There is now even a kind of movement which can be called alternative production. Blue-collar and white-collar workers have begun to deliberate what should be produced and how in certain critical companies.

[Question] Does this mean that the party's ties with the people have been cut off in recent years?

[Answer] They have not been cut off, but a kind of deterioration has taken place. A new form of communication should be established, but in a manner differing somewhat from the previous manner.

We should return to the traditional values of the workers' movement and from them develop a total program in which we can become involved in the power structures of this society. The promotion of just one reform is no longer sufficient.

#### Tough Game

One gets the impression from Jouko Kajanoja that he is somewhat disappointed, perhaps even tired of the harshness of policy making.

"Indeed, there is the feeling that we are involved in a kind of tough game which has little to do with the average person and his needs," he admits.

"It is for just this reason that we should be able to understand the goals of the mass movements and be able to take their demands to the decisionmaking level of the state machinery."

Also Kajanoja states that he seeks new ideas for making policy by reading. Thus he is not one of those ministers who has not read one single book in the last 5 years.

Next on Jouko Kajanoja's reading list is Pekka Kuusi's book "This Person's World". Pekka Kuusi was the previous guest at VIKOLEHTI's sauna. Kajanoja says that he expects much from this book.

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CSO: 3617/38

## CHANGES IN DEFENSE POLICY, FINANCING RAISE QUESTIONS

Paris LE MONDE in French 2, 3 Nov 82

[Articles by Yvon Bourges]

[2 Nov 82, pp 1, 7]

[Text] In the National Assembly, which will study the 1983 defense budget bill on Friday, 12 November, the UDF and RPR groups have decided to introduce a motion of censure against the government's military policy and in particular against the government's decision to eliminate, in 1982, approximately 13.4 billion francs of budgetary appropriations in payment of orders for armament.

This motion of censure--introduced by the two opposition parties whose two specialized committees on defense recently acquired the habit of getting together to harmonize their respective positions--will be debated following the budgetary session.

On the other hand, a delegation from the office of the defense committee of the National Assembly is scheduled to be received Wednesday, 3 November, by the prime minister to obtain from Pierre Mauroy an explanation following the announcement that the armed forces would benefit from the end-of-the-year consolidated budget, and to draw his attention to the difficulties that "emerging from the freeze" entails for the employees of the state arsenals.

#### I. An Interrupted Effort

After 18 months of socialist government and two military budgets, one may legitimately pose the question: "What is the defense policy of the new president and his administration?"

The prime minister was kind enough to warn us, in his recent statement to the HEDN [Institute for High National Defense Studies]: "We shall await the military budget bill for the period 1984-1988." We must therefore wait still another year--in other words, until one-third of the 7 year term in office

has expired! Most serious of all is the fact that this delay has apparently shocked no one--as if security and independence were no more than a secondary concern. The fact that no parliamentary debate on defense policy has been organized since installation of the new leaders is in itself revealing.

The prevailing view since May 1981 is that in the area of military policy the new government has oriented its action toward continuity rather than toward change. Mauroy himself affirmed this view a year ago, and the government--never having expressed its own view on the subject--has to date succeeded in accrediting this sense of continuity, to some extent by the process of omission.

The 1982 budget, however, quite clearly indicated that the national defense effort undertaken in 1975 had been halted. Under the fallacious pretext that the delays in certain programs would be made up in 2 years, the increase in budgetary appropriations was half of that provided for in the 1976 military planning budget. That is why almost the entire opposition in the senate did not vote for this budget. We now know what has happened: the 1983 military appropriations (in terms of percentages of the GDP) remain at the 1982 level--contrary to the commitments undertaken 1 year previously--while a major part of the equipment programs voted for 1982 has been cancelled, quite simply because the socialist administration proposes to sacrifice the national defense to the austerity of the times. This is not continuity of the effort undertaken in 1975; it is just the opposite!

The chief of state confirmed that the nuclear deterrent was still the basis of national independence and of our defense policy.

This is a fundamental decision--the only decision that has been clearly established. We know that for Mitterrand it represents a praiseworthy conversion. Speaking for our country, we cannot help but congratulate ourselves. This course is, so far, almost in conformity with the provisions of the M4 program, which by 1990 will give us five modernized missile-launching nuclear submarines (SNLE) armed with missiles which in turn are equipped with multiple warheads, and together with construction of the medium range air-to-ground weapons (ASMP) for our tactical nuclear aviation it will reinforce substantially the potential for deterrence during the present decade. The implementation of these programs--which were established in 1978--is an extremely positive development, and we have pointed to it with satisfaction. It is a course requiring budgetary appropriations that will have the effect of increasing--in a decreasing military budget--the share allocated to the nuclear forces. This fact (which creates an image that is doubtless convenient for political discourse) has only relative significance, however.

For a country such as ours, a policy of deterrence has no value or credibility unless the potential of the nuclear forces satisfies two requirements: first, the level of their destructive power must be sufficiently high to inflict unacceptable damage on the aggressor, and second, their capacity to respond must be safe from a preventive attack by the enemy. A policy of deterrence is therefore meaningful only to the extent that we make the necessary qualitative and quantitative progress.



In this respect, the only decision that has been taken is rather negative: the decision taken by President Mitterrand to build a seventh SNLE, a decision which he announced several weeks after his inauguration at the Elysee. The public assumed that this meant reinforcement of the Strategic Naval Force (FOS). The official announcement was clear, however: this seventh SNLE would go into service in 1994, and its construction would not begin until the end of Mitterrand's 7 year term in office. The real meaning of the announcement was that the decisions taken in regard to the FOS prior to May 1981 would remain in effect.

Inasmuch as the SNLE is a means of response that is particularly adapted to the narrow dimensions of the territory which it protects from external threat, and inasmuch as the factors that would be involved in its detection seem not to endanger it over the near term, may we not question the validity of delaying reinforcement of the FOS--whose systems and costs we have mastered quite well--until the end of this century?

If we fail to reinforce our deterrence effort on the basis of the submarine component, will it then be possible to achieve the desirable response level by means of other components? Will we soon adopt a mobile ground-to-ground system whose deployment poses difficult problems that limit its viability? Will we definitively renounce an air component, when development of the ASMP could supply the weapon in question but whose feasibility is dependent above all on selection of a combat aircraft of the previous decade?

At Canjuers the president of the republic solemnly affirmed the comprehensive nature of the policy of deterrence--a policy that combines tactical and strategic weapons. It was a statement of fundamental importance. The successor to the Pluton system--a system difficult to use--is an open question. The possibility of having weapons of reinforced radiation potential (the use of which necessitates a precise knowledge of local situations) entails a supplementary requirement with respect to definition of the system and the choice of vectors. Is the Hades system--to which the chief of state made reference at Canjuers--adapted to this requirement? What role is being assigned to the FATAF (Tactical Air Force)--whose resources for intervention are constantly improving--in the communication of the intended warning?

It is understandable that the government would want to give itself time for reflection. The time limits involved, however, are rather formidable and are all the more troublesome in that it is not feasible--by postponing decisions from year to year--to let the financial burden of all the programs accumulate until the decade of the 1990's. Since it is obvious that the socialist government is loath to make the financial effort necessary for the national defense, one may wonder whether the resources desired for preservation of the policy of deterrence will be forthcoming in due time--resources without which one would revert, as regards the nuclear forces, to the freeze that was advocated by the all too famous "common governmental program"!

Time is growing short for the government to move from proclaimed intentions to binding decisions.



## Reductions and Delays

The reductions, and delays, in the conventional weapons programs of the three branches of the armed forces are today an accomplished fact. They are justifiably a source of concern to those who pay attention to the problems of national defense--all the more so because they are not accompanied by any explanation and because certain fragmentary and imprecise statements have reflected some disturbing orientations.

I shall speak first of the capability for action abroad. Military policy here joins with diplomacy in accordance with the concept one has of France's role in the world. Protection of the overseas departments and territories; the French presence in various parts of the world; the military assistance that derives from our commitments to certain countries; and the ability to take timely action in defense of vital interests require specific resources. Depending on whether one concedes these missions to France or prefers a French withdrawal to Europe, our forces should either have, or not have, the appropriate resources. The hesitation manifested with respect to replacement of the aircraft carriers (doubtless so as to avoid having to admit at the present time that the plans for their replacement have been abandoned) is in this respect significant and justifies public concern.

The government has at its disposal a military capability that enables it to maintain a desirable presence of our arms in Africa and the Near East. The exercise of the nation's responsibilities appears to have made the socialists understand that France's vocation and influence have certain requirements that must be met. The fact is, however, that no one knows what the government's intentions for the future are, nor what lessons it has learned from the most recent events. What is at stake, however, is the confidence of many friendly countries.

## A Policy That Is Eroding Away

As for the conventional forces, to say that they face an uncertain future is a euphemism. High-sounding words cannot conceal the painful reality of the 1982 and 1983 budgets. It is understandable that the doubt already established in many minds has now been reinforced by the presentiment of basic changes for which public opinion is being prepared very gradually--in the form of imperceptible, dilute doses.

A program named "Navy 2000" was established in 1978. I applied myself to its implementation, going beyond the objectives of the 1976 planning law in order to launch its initial projects. It was complemented by a program to supply 11 vessels to the public service charged with the prevention of marine disasters. The freeze on investment appropriations in the 1982 budget, and the appropriations provided in the 1983 budget bill, demonstrate that the effort undertaken has slackened considerably.

The aviation programs--those of the naval air arm as well as those of the air force--have been halted in 1982 and are either in doubt or dramatically reduced for 1983. Given the stage to which the Mirage 2000 has progressed, the only solution is to complete the program as planned. These carry-overs, these delays, augur ill for the future.

As for the ground forces, the announcement of the transformation of their structures, the curtailment of the major materiel programs, and the reforms envisaged in the career military service and in the duration of the national service give rise to questions and apprehension.

Reorganization of the ground forces was undertaken in 1975 and has a clear-cut objective: to ensure that with limited effectives (300,000 men, including 160,000 combatants), the army's new form of organization will:

1. Ensure its unity and its homogeneity.
2. Enable it to cope with diverse situations (Center-Europe theater, coverage of the national territory, border threats, actions abroad) thanks to light structures and complementary specializations permitting adaptation of the forces to each situation, and also through the utilization of high-performance materiel.
3. Make it possible to go on a war footing rapidly, based on the active corps and reserve units in the immediate area, with reserve units able to reinforce or relieve the regular army forces.
4. Ensure implementation of the policy of deterrence.

A major effort has thus been mounted for the past 6 years. It is an effort to which the military cadres have dedicated themselves with exemplary determination and devotion, an effort which has achieved results that are indisputable and that are obvious to any observer of goodwill.

If it is the government's intention to call into question a project that is perhaps ambitious but is coherent, it should not do so by bits and pieces, based on budgetary difficulties or partisan positions. Its decisions should be based on an analysis of the international situation, on a definition of the objectives and missions that flow from these decisions. We have seen nothing of the sort being done, and our defense policy is eroding away as the days go by.

[3 Nov 82 p 18]

[Text] When the prime minister announces the possibility of a national service of varying terms; when the minister of defense 1 week later foresees the transfer of the territorial defense missions of the armed forces to the gendarmerie; and when the very same minister explains finally that the effectiveness of modern missiles makes it possible to dispense with a large number of tanks and weapons, it is understandable that credence is given to the idea that the government is preparing a massive reduction in effectives and in units, and that the public's questions have now given way to doubts.

The incorporation of young Frenchmen into the national defense effort in the form of a 1 year term of service under the flag represents a valuable contribution at the technical level and an appreciable contribution at the financial level.

Reduction of the national service to a term of 6 months--which is due to take place in any event--will unquestionably have the effect of reducing by half the effectives of this contingent. To compensate for this loss by increasing the number of enlistments will be so expensive that the government--having become aware of the consequences of this electoral promise--is seeking to limit these consequences by means of companion measures: military training, or compulsory periods of service, in conjunction with implementation of the reduced national service requirement, together with continuation of voluntary service for 1 year in the case of certain units (gendarmerie, parachute troops, overseas assignments, embarkations in the navy, and so forth) and certain technical kinds of duty. In addition to the difficulties involved in implementing these measures, such a system will create a feeling of inequality if not of unfairness. Be that as it may, inauguration of the 6 months' service requirement will represent a not inconsiderable extra expense, and in particular will greatly reduce the capability and operational continuity of the units.

#### Uncertain Solidarity of the Europeans

The gendarmerie has always played an essential role in maintaining the administrative life--indeed, the economic and social life--of the nation in time of crisis or conflict. There is no lack of work for it to do. Giving it the additional responsibility of the so-called operational defense of the national territory will involve increased resources in personnel and materiel. Even if it is in the best position to exercise section-by-section surveillance of the national territory, a question arises as to its effectiveness--for example, against a modern parachute division. It would be illogical to use this reform as an argument for "easing" some of the ground forces' missions over to the gendarmerie and for justifying a reduction in their units.

Elimination of the armament program in connection with these plans will inevitably be the precursor of a reduction in the armed forces, for these diverse data are complemented and disposed first of all into a profound revision of the structures of the ground forces: there will be, on the one hand, professional units equipped with modern armament, and on the other hand, territorial units--without heavy equipment--whose personnel will perform a brief term of service. There is nothing to indicate that the navy and the air force will not similarly be reduced in size. The most obvious result will be a substantial weakening of France's military capability.

Contrary to what some would have us believe, if one falls below a certain threshold of operational capability one's credibility is called into question and thereby the policy of deterrence as well. The responsibility in this regard must necessarily be national, and we can rely only on ourselves. This responsibility is of such a nature that it cannot encompass the risk of being challenged on any issue other than this vital concern. Acceptance of a limited

challenge, or a challenge on peripheral issues, are options that must be ruled out in order to preserve the freedom of decision that is implicit in the practice of a policy of deterrence, which--although enabling us to dispense with large masses of troops--requires an adequate environment and forceful logistic support. It is through comprehensive organization of our defense, of its equilibrium, that the reality of our independence is established together with the international authority that derives therefrom. Mitterrand could not fail to sense this truth and therefore to value it in the exercise of his weighty responsibilities.

The slowing of our defense effort is all the more a source of concern in that as a result of the crisis our neighbors in Europe are reluctant to carry on their military effort. This consideration alone should rule out any speculation concerning a division of labor in Europe. From the standpoint of the nation, it would be a mistake to justify a limitation of our own effort by seeking a complementarity that would be the expression of an uncertain solidarity on the part of the Europeans. What a dangerous course that would be for our independence as well as for the future of the alliance and the equilibrium of Europe!

The international situation demands prosecution of the national effort, and continuation of the military policy which for more than 20 years has guaranteed the independence and authority of France.

The major difficulty lies in the increasingly heavy cost of the armament and military expenditures in general.

#### Distressing Revisions

With respect to the cost of armaments, there is no question but that the cooperation of Europe's arms industries is indispensable. The requirements of our respective armed forces are similar. Our governments must seek all the more intensively to establish joint projects for weapons and equipment in that this cooperation--because of the lowered prices resulting from series production--is unquestionably the only way to preserve these industries (which are the essential element of our independence and our future) and to make us less dependent on exports. This is indeed not an easy course, but the importance of what is at stake justifies all efforts, especially with respect to major items of equipment (planes, helicopters, tanks and missiles in particular). I established examples of cooperation in this area, but we have heard nothing more of these for the past 2 years.

Everything depends on our political will, and the real question is the price we are willing to pay for national defense. During the period 1975-1981--when times were equally difficult--the military budget increased from 3 percent of the GDP to 3.85 percent only to peak 2 years later at 3.895 percent (instead of the 3.94 percent stipulated in the budget) despite the assurances given only recently by Mauroy and Hernu. Because the socialist government will not agree (and there is every reason to fear that this is the case) to increase the appropriations for the armed forces, military policy is being determined

not on the basis of strategic decisions but in accordance with the need for adapting the organization of the forces to a fixed budgetary structure. This method (if you can call it that) leads to distressing revisions and risks eventuating in incoherence. In any event, this is precisely what has happened in the case of the first two military budgets of the new government.

#### Refusal To Continue the Effort

The government has the right to choose a different defense policy, but it has the duty to say so to the nation and to accept the consequences of its decisions as they affect France's status and role in the world and its friends in the world, as well as our own independence and security.

It is a serious matter that for the past 18 months--by means of soothing statements, fragmentary decisions and various "gadgets" designed to deceive public opinion--the government is systematically maintaining a veil of secrecy over its real intentions except for those instances wherein its actions belie its words. As a consequence of the passage of time and the use of these methods, the confidence that public opinion (and military opinion in particular) had accorded it provisionally has been singularly damaged.

Given the fact that we have coasted until now on the impetus of what we initiated 20 years ago, it may indeed be time for change. Where national defense is concerned, responsibilities become apparent only with the passage of time. Because a military program involves extensions of time, several years must pass before the gaps and insufficiencies of a present action are revealed.

Does socialist France have a defense policy--or does it have one, but its government is still afraid to disclose it?

It is high time for masks to fall, and for the nation to learn how the government intends to preserve its independence and defend our freedom. If there is an area where cleverness is out of place, this is indeed it. The opposition cannot limit itself to mere silence--or patience--for that would amount to complicity.

To do so, in fact, would be to betray the commitment that we undertook with General de Gaulle and have since honored courageously. The balance sheet of the Fifth Republic is, in this area, especially positive. The Fifth Republic gave the nation a defense policy that has ensured its independence and its freedom of action. This capital--acquired with difficulty--must not be destroyed by a refusal to pursue this effort, for otherwise no purpose was served by making the original commitment. In this as in other respects, it is indeed the labor of the Fifth Republic that is at stake--and with it the future of France.

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CSC: 3519/143



## PROFILE, BELIEFS OF ND OFFICIAL OUTLINED

Athens TO VIMA TIS KYRIAKIS in Greek 21 Nov 82 p 16

/Excerpt/ It seems that the minimum common denominator of the various groups, factions and ambitions within the New Democracy Party is the former Minister to the Premier Konstandinos Stefanopoulos, a much talked about personality during the past and also during the present days. He avoids interviews but is willing to discuss, to explain his political views and "misunderstandings" about his person.

Drawing on past experiences and on recent discussions with him (at times absolutely free, without restriction, at times with mutually agreed upon restrictions on what was said) this is a composite profile of the "number one heir apparent" in the New Democracy Party.

Stefanopoulos not only is considered to be an unbending rightist but also an irreconcilable anti-communist. A criticism which used to incense him in the past was that his party represented the interests of the oligarchy and plutocracy. This charge--even when it does not question his personal integrity--really makes him hit the roof. He does not accept any question that his party cared about "the poor and the popular classes" when it was in power and when he feels that he is not persuading you he throws this argument at you: "If we represent the interests of the plutocracy then 36 percent of the Greek people are plutocrats."

But how rightist and anti-communist is he? Here is his view:

"I believe in anti-communism but with a proviso. Anti-communism is the ideological weapon of democracy. Any liberal democrat like me and the ND followers automatically reject the communist theories. Our anti-communism is ideological and has no intention of opening old wounds. Anti-communism cannot be conducted on the basis of the painful experiences of this country because it becomes divisive and leads to acrimony and polarization."

Stefanopoulos had admitted for some time now that in the so-called ND regional conferences in 1980 and 1981 in which he was the main speaker, his anti-communist themes created certain impressions about his person. "You, the journalists, helped a lot," he comments.



Reports say that Stefanopoulos has started for some time now to read systematically the "French philosophers" and the books of Levi and Gluxman. One of the books of the second author he studied is "The Cook and the Cannibal." Stefanopoulos, however, admits that he is not a systematic student of Marx, Engels and even less of Lenin. "My knowledge of Marxism is not based on systematic study. I read whatever comes along. I have a general impression and I am convinced it is in the right direction. Among the Greek Marxists I have read Kordatos, Kornilios Kastoriadis, books by my fellow student in the law school and now rector of the Panteios School, Visilis Filias, and certain writings by Nikos Poulanzas."

[Stefanopoulos] admits his weaknesses in this sector and tries to excuse them when he often invokes: "Even Francois Mitterand, the socialist president of France, has stated that he has not read Marxism."

The much discussed view of Kharilaos Florakis in his interview with TO VIMA that the New Democracy is a democratic party is viewed with reservations by Stefanopoulos. "It is a positive statement on the part of Florakis." But he believes that the KKE secretary general "made" this political assessment and others which refer, for example, to the traditional voters of the right, mainly because of political expediency.

"I am not convinced that this reflects a political change in KKE. He probably tries to explain the election of communist mayors in the second round mostly with votes from our own followers. Their action, however, was only an expression of strong revulsion against PASOK and nothing else."

Stefanopoulos does not want to talk about the game of succession in the New Democracy; instead he declares his loyalty to the party leadership, categorically denies that he has contacts with deputies and calls Giannis Boutos and Kon. Mitsotakis "my very dear friends." Stefanopoulos, the associate parliamentary spokesman for the New Democracy, shares an office with Boutos on 98 Solonos Street and they often leave the office together in the afternoon. This may mean a lot or nothing, if one keeps in mind the good personal relations among "heirs apparent" and deputies never prevented them in the past from sharpening their knives against each other. Stefanopoulos does not believe that the failure of ND in last year's parliamentary election was a sign of basic fall of an aged right camp ("it resulted from the natural decay of being in government and PASOK's cheap demagoguery of the people") or that his party today needs a steady ideological orientation ("the party has its steady course and it follows it").

[Stefanopoulos] is proud of the intra-party democracy of his camp although he admits that the abolition of the individual preference vote will cause "some problems." But he is optimistic that they will be overcome.

Stefanopoulos does not wish to talk about his leadership prospects but he believes that "since the newspapers write so much about me it means that I have some popular base and acceptance among deputies and cadres."

The view that most of them turn to his person for a leader because they believe that they can turn his mind in the direction they want, is not accepted by

Stefanopoulos. He emphasizes: "I am willing to cooperate but not without principles and clear understanding."

Personally he does not hide his ambitions. "Yes, there are personal ambitions, just as there are in every political man. But I do not seek anything specific especially now or in a systematic fashion. There is a public opinion stock exchange expressed by the newspapers, and my personal stock is in there. Whether the stock will go up and how much I don't know. But I am optimistic."

Fifty-six years old, the son of former Minister Dim. Stefanopoulos, he lost as an ERE candidate in the Akhaia nome in 1958, 1961 and 1963 (by a few votes the last two times) but he came in first in 1964 when he had made up his mind to get out of politics but was dissuaded by Pan. Kanellopoulos and other friends.

As deputy minister of commerce in the government of "National Unity" and later as minister of interior, Stefanopoulos, with his father's "strongly pro-royalist tradition," was in charge of the referendum. He is categorical about its result and he adds:

"As a process for expressing the public sentiment the referendum was without blemish."

The habit of using the purist ("katharevousa") idiom (which he tries lately to shake off) is because of the almost 12,000 perorations he estimates he must have made during a 20-year career as a lawyer.

He tries to simplify his speaking idiom and he is studying lately the demotic grammar of Angelos Vlachos. He categorically denies that he is--as rumored--a member of "Zol" [Life--the religious organization] or of any other Christian organization, as well as the view that he is socially isolated. "I am simply not socially noisy. When I am invited I honor the invitation."

He admits that he has no particular expertise in economics or in foreign policy although he adds, "nobody has a monopoly on these issues."

Known for his good personal and partisan relations with almost all ND deputies and its leading cadres, Stefanopoulos complains that many journalists have presented a "distorted" picture of him, his ideas and his intentions.

Flexible during the last 2 years in his personal relations and social contacts (he always goes to the receptions of the Soviet Embassy and the other eastern countries) conciliatory and polite, Stefanopoulos has his reservations:

"First of all, I like their analyses. But I do not fully agree with them. They express their disappointment at the existing socialism and the distortions of Marxism, but they believe in the Marxist theory. I do not."

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CSO: 3521/96

## GOVERNMENT SEEN LOSING GROUND, FUTURE DEVELOPMENTS FORESEEN

Athens I KATHIMERINI in Greek 21-22 Nov 82 pp 4, 5

/Article by Khr. Karanikas: "The Premier Steadily Loses Control of the Situation"7

/Text7 Just 1 year after coming to power with such great plurality, the government finds it impossible to deal the cards of the political game. The political circles have the impression that Premier A. Papandreou has largely lost control holding back some "aces" for the "difficult moments." This government weakness appeared at a time when no significant opponent to the majority has appeared on the political stage capable of challenging its role. But now, with the winter and the inevitable announcement by the government of its economic and incomes policy, developments will somehow take a different course.

In a month, following the presentation of the budget and the announcement of the incomes policy and the discussion on the budget, the tone of our political life will change.

The inaction cannot go on much longer. Inevitably the various political forces will find it necessary to take certain initiatives not to be outdone by another. Many believe that our political map is likely to change in the spring, since they regard almost certain any prediction of an economic collapse with all the possible consequences.

By necessity, even earlier than it planned, the New Democracy will be forced to follow a different course, possibly a center profile to wage the battle. Premier Papandreou appears to gravitate toward continuing a "two-front" tactic possibly hoping that in this way he will push New Democracy toward the extreme right and KKE toward the extreme left, himself keeping freedom of action in the center. This tactic, however, requires the other forces to play by the same rules--a difficult thing to do. The ND, facing, after the recent strong rightist notes of the last few months, the problem of its leader's illness, has not charted its policy although it appears certain that it will move toward the center since both apparent heirs, K. Mitsotakis and K. Stefanopoulos, promise the same center orientation. The problem for ND is which of the two will convince more people among deputies and voters of his center profile, and also who will be seen as more capable of dealing with Papandreou on the event. Averof's health condition requires an immediate succession.

On the other hand, KKE appears to be the only party with a definite political direction: harsh policies and irreconcilable opposition against the government especially on economic questions where it hurts most, and a milder tone on the "red" ideological line, trying to soften its color in the hope of shedding its past record. This was shown in KKE's statements on the anniversary of the Polytechnic events as well as in its criticism on the question of Limnos and NATO where it avoided escalation of its opposition by mass mobilizations. It seems that this attitude of KKE is related to internal pressures for a milder line, which became evident more after the municipal elections and which gain in intensity on the occasion of the Eleventh Party Congress.

#### The Political Battle Will Be in Winter

All sides now agree that the political confrontation will take place this winter in the area of the center and its various shades--because even KKE by changing its colors pushes the other forces more toward the center. The exact time for the confrontation cannot be determined now but one should not rule out the latter part of winter toward the spring when the economic crisis will have heavier consequences on political and social life. Even government officials agree that a failure in the economic sector will open the way to essential and crucial political developments. The results of the municipal elections showed that the political weakening may come much faster than even the most pessimistic government supporters expected. The public warning was clear and strong.

The majority together with its control of the political developments lost also its credibility among the broad public, something of course which comes together with the first. In addition, some of the highly advertized government initiatives such as the administrative reorganization failed, as is now admitted. This explains the new promise by Minister to the Premier Ag. Koutsogiorgas in the Chamber of Deputies that the government will soon prepare a new "revolutionary" law on the state administration. Moreover, the government is losing the battle in the public agencies and state enterprises. The changes in the top management of these agencies did not take place and their productivity fell more than ever, a fact which proves that the government is losing the battle with the trade unions, a foretaste of its "decisiveness" in the future.

Many in the majority party charge this lack of decisiveness to the top leadership of the government. The exercise of power at the top, they argue, is weak and spineless, directly affecting the cadres below. The absence of general and centrally directed coordination is now being felt in many sectors of governmental policy so that many resort to improvisation and endless "meetings" in spite of the fact that the premier does not even want to hear about "meetings." But it seems that most ministers are genuine contemporary Greeks engaged constantly in meetings to quote the late Georgios Kartalis. Even the partisan domination of the state machinery is not done on orders from the top of the government or the party. On the contrary, to a large extent it is the result of the absence of coordination which allows personal initiatives by any party cadre even in the most unbelievable cases. In fact, the intervention of party cadres in the state machinery leads to the inaction in the party organization as shown by the municipal elections and other cases when the government and the party sought to show their dominant will.



The situation in the government causes concern among many in the majority party. It is admitted that some people around the premier cause by their interventions and suggestions the disorganization of the government instead of its coordination. This is why the complaints and suggestions to the premier to change the way he exercises power have increased lately. In PASOK and in its Parliamentary Group not a few charge Papandreou personally with the responsibility for the weakening of the government, hoping that he will take some action. In any event it appears that even Papandreou recognizes this because he has started lately to use harsh language when speaking to many of the ministers, even in the meetings of the Ministerial Council.

#### Losing on Details

The government admits now that it loses more on the details than on the major issues. And this loss may be more serious than its failure on the major issues. The people at large judge and criticize the government, any government, on the details, at the foothills of the power pyramid, in their daily contacts with the state machinery. Especially when, as in the case of the PASOK government, the people have been subjected to brainwashing with grandiose and revolutionary plans, such as the promises on the "cloud" and transportation, for when a routine measure by the state administration is presented as a socialist conquest, then everyone is suspicious. The government loses its credibility among the entire people and especially among those who voted for it, as it is in danger of being treated like the shepherd that "cried wolf" once too often. At some point the government will need the public confidence, at some point it will announce some serious measures and it will not be trusted.

Many at the top of the government recognize that their only hope is the members of parliament who with their political expertise could prevent many of the errors made so far. At least they hope to avoid mistakes in the details although there are some pessimists who believe that nothing can be done at the level of government activity. But the first group believes that by using parliamentary deputies in key governmental positions the communication with the people will improve so that the government will be able to keep in touch with the people and regulate its work instead of going back constantly to PASOK's programs which are of interest to very few.

This shift to the parliamentary deputies requires changes in the composition of the government--a reshuffling. Other reports, however, indicate that the premier has different, more "sober" thoughts. He recognizes that the "restructuring" as he called the first reshuffling had negative political repercussions and he is afraid that a second reshuffling, whatever its name, will not fare better. For this reason one should not rule out the gradual and individual removal of a few ministers if he feels that the political cost will be small and neutral.

Everyone at the top of the government believes that only some significant political move will break up this climate of "grumbling" as they call it and will give a new spirit to the majority. Among those moves they include the prospect of a parliamentary election. But this, others argue, is much more difficult because the election preassumes the exclusive initiative on the part of the premier--something uncertain. They also include other factors such as the president of the republic--with his increased political influence and appeal today--as well as the other political forces. These considerations apparently stand in the way.

## IMPROVING CLIMATE OF RELATIONS WITH USSR REVIEWED

Athens TO VIMA TISKYRIAKIS in Greek 21 Nov 82 p 9

[Article by Panos Loukakos: "A Second Spring in Relations with USSR"]

[Text] Three years after Karamanlis' visit to Moscow, Greek Premier Andreas Papandreou went to the Soviet capital for the second time last week on the occasion of Leonid Brezhnev's death.

Papandreou's trip to Moscow of course was ceremonial. But the meetings and discussions he had there finally give it an entirely different dimension which is purely political. This is so because it appears that the result of this trip will be the "defrosting" of the Greek-Soviet relations which after the "opening to the east" 3 years ago by the then Premier K. Karamanlis had passed into a period of "hibernation."

It has already been agreed that in the coming weeks a new round of contacts will begin between the ministers of foreign affairs and national economy of the two countries in preparation for the Papandreou-Tikhonov meeting which has been set for February 1983. This preparation will deal with details since the substance already has been agreed upon between the two premiers at their meeting in Moscow last week when they decided:

#### The Alumina

The original four Greek-Soviet economic agreements will be activated and readjusted to the present realities. These agreements were signed in Moscow by K. Karamanlis for the establishment of an alumina production unit, the sale of Soviet electricity to Greece through Yugoslavia and Bulgaria, the provision of Soviet natural gas through Bulgaria and the provision of crude oil.

#### The Degrees

New agreements will also be signed which are already being processed and which deal with transportation, technological processing, recognition of university degrees, cultural exchanges, the solution of the so-called problems of "double nationality" for persons who maintain both Greek and Soviet nationalities, etc. The main thrust, however, of the Papandreou-Tikhonov discussions, at least as it appeared from their first meeting in Moscow, will not be concerned so much with economic matters (which will have been solved previously at the technocrat level) as it will with political ones.



## The Missiles

Certain first indications already show that the Soviet government at this moment is ready to proceed toward closer bipartisan relations, starting with certain initiatives of Premier Andreas Papandreu about the de-nuclearization of the Balkans and against the handling of the Polish problem within the EEC and NATO framework. As a continuation of these initiatives it is not unlikely for the Soviet Union to guarantee the Balkan nuclear-free zone, a proposal it had made previously anyway. Similarly, the talks between Tikhonov and the Greek premier will deal with the subjects of disarmament, with international detente, and with European cooperation. Also, area problems will be examined for which the Soviet Union has until now maintained a policy of balances, but oftentimes, however, with an apparent tilt toward Turkey.

However, one must not expect spectacular results from all this or a "new era" in Greek-Soviet relations, because if Moscow's foreign policy is characterized by anything it is responsibility and continuance. But that there will be specific and tangible positive steps a second spring after the hibernation is about predetermined, if it is not already certain.

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CSO: 3521/97

## INTRA-PARTY DEVELOPMENTS IN THE KKE(INT) DISCUSSED

Athens ELEUTHEROTYPIA in Greek 21 Nov 82 p 4

/Excerpts/ The KKE-Int. stand against the PASOK government and the stand of Euro-parliament deputy L. Kyrkos in the leadership pyramid of the party are returning with intensity to the internal proceedings of the small Euro-communist party.

Only 5 months after last May's congress which brought about the dissolution of the old leadership group of the KKE-Int. and demonstrated the difficulty to form a clear policy, a revival of old matters is becoming evident that the Central Committee with the known majorities is rather unable to confront. And for this reason a proposal to call a special congress of the party has been made but has not met with any support.

On the contrary, the view that all the problems should be put up for discussion in the KKE-Int. organizations is winning ground. Besides, this is something that is unavoidable as a result of the decisions of the Central Committee whose work began Friday and ends tonight.

It could be said that the KKE-Int. internal strength will be put to test in the next few months, inasmuch as, according to certain indications, the majority of the party base is being upset in favor of L. Kyrkos, except for the youth and certain sections of the Athens organization.

One of the most important problems being brought up for review deals with the KKE-Int. stand against PASOK. The articles published this month by leading officials of the party, mainly prompted by the municipal elections, reflect a vertical difference of views. They concern, in view, moreover, of the Central Committee meeting, the positions of L. Kyrkos, St. Karas and the younger ones, Alk. Rigos and St. Papas.

The first two agree, even though they do not have identical views, on the need to support the PASOK government with criticism, while the last two recommend the adoption of a policy of keeping a distance from PASOK. In the views of Kyrkos and Karas, a "political" interest to repel the assault of the right predominates, while the "party" interest is predominant in the views of the others so that the KKE-Int. can attract the dissatisfied leftist voters of PASOK.

It is certain that these views will be stated by many members of the Central Committee during its continuing meeting in a confrontation during which the position of the party secretary, G. Baniias, is especially delicate since the specific political choice of cooperating with PASOK is in agreement with L. Kyrkos and in dissension with a group of those who elected him secretary.

Under the peculiar psychological conditions which created the dispute at the KKE-Int. Congress and since, according to certain information, he failed to secure an agreement on the line with L. Kyrkos, Baniias accepted his election as secretary and turned down the solution of a "twin" leadership with L. Kyrkos as president. The solution he chose then should have persuaded him as not having been conducive to the growth of the KKE-Int.

The solution of the "twin" leadership is now being proposed openly by organizations and members of the Central Committee. Of course, the possibility of this solution being adopted in the present meeting of the Central Committee should be rather precluded. It should not be expected, however, that Kyrkos will accept election to the executive office, a proposal he turned down even after the congress. It is more likely that the projection of the "twin" in the present Central Committee will become the starting point for the discussion of the subject of the leadership of the KKE-Int. by its organizations in conjunction with the problems of the party line.

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CSO: 3521/97

## SUGGESTED POSITIONS ON NATO, TURKEY ISSUES

Athens ELEUTHEROTYPIA in Greek 4 Dec 82 p 4

/Article by V. Filias: "Four Positions on the Great National Issues"

/Excerpt/ No doubt it is very easy to deal with the great problems facing the country, from the convenient position of an observer or an irresponsible commentator. Only the responsible exercise of policy, the "gears of power" as Sartre has beautifully shown in a short play, reveal the seriousness of the obstacles and the inevitability of this or that policy, or this or that choice.

The writer is fully aware of this reality and will try--as much as possible--to present his "suggestions" within this context. Especially with regard to the major national issue, the country's number one issue today, we would not want to have our thoughts viewed as suggestions to those who have the authority and the responsibility to deal with it. But this does not mean that one can be indifferent under whatever pretext, or stay away, or adopt the convenient view that the matter "is in good hands" and that, therefore, the expression of opinion, view or even criticism is meaningless or out of place.

Probably never before has it been more pressing than today because of the recent developments in Greek-Turkish relations and our experiences in the recent NATO meeting, to put the entire issue openly on the table and discuss the related policies in a straight-forward manner.

The basis for this discussion cannot be but the fundamental position that there is a very serious and multi-sided conflict of interests with Turkey being the "claimant" and therefore the aggressive party, with us being on the defensive. An integral element of this fundamental fact is that NATO, even if we were to assume that it does not instigate or has a different attitude on this Turkish aggression, in no case will choose, for strategic and political reasons, to displease Turkey for the sake of Greece. Just the fact that following the collapse of the shah's regime, Israel and Turkey were promoted to chief policemen of the eastern Mediterranean and the Middle East is enough to show that this is more than self-evident. On this basis our positions can only be the following:

Position One: The negotiations with Turkey are conducted in the shadow of weaponry no matter how "normalized" the conditions are. We should never forget that.

Makarios, that great balancer and magician of politics, relied on his unique qualities and forgot this fact at the critical moment. Cyprus paid the price with the coup and with Attilas.

Position Two: NATO is not a guarantee to avert a Greek-Turkish conflict in the long run, no matter how disagreeable such a war would be for the Alliance. The wider American-NATO interests in this region of the "black gold" and in the system of control over the peoples of the Middle East are so huge that it is possible at any moment the cost of a Greek-Turkish armed confrontation to be minor if not desirable for a thousand reasons.

Position Three: It is imperative to give open—not "filtered"—information to the Greek people on the question of Turkey-NATO-Greece. The famous unity cannot be secured through half-truths, clever phrases and subterfuge, in addition to the obligation the present government has assumed to inform fully the people on the progress of the national issue. It is unacceptable to trumpet as a "success" that Luns for instance was for the first time moderate and careful in his expressions.

Position Four: A national security council must be established with representatives from all parties, the commander of the armed forces and personages. The national issue and the obligations assumed by the country on this issue is not merely a matter for the government nor can it be handled through the exclusive "delegation" of the authority to a given person.

A great deal is constantly said about the famous national issue in a one-sided manner, always with government speaking and the people and those out of power listening passively. This is inexcusable especially today when the government is occupied by a political party which for years had castigated this tactic.

The Greek people demand that everything must be placed on the table from the beginning. The people ask themselves these days why Gonzales in Spain dared to freeze the relationship with NATO and we do not dare. Very possibly there are some reasons. We want to know about them so we can judge them.

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CSO: 3521/113

## GOVERNMENT'S INCOME POLICY FOR 1983 ATTACKED

Athens RIZOSPASTIS in Greek 9 Dec 82 p 1

/Text/ The Press Office of the KKE Central Committee issued the following statement:

/National Economy/ Minister Arsenis announced yesterday the government's income policy which not only does not provide for a corrective increase for the losses the working people suffered from inflation last year but on the contrary reduces in advance by at least 5 percent their 1983 income beyond the other losses they will suffer from the price index rise.

Furthermore, the government restricts even the mutilated automatic cost of living restrictions it implemented as well as the popular consumption. No exigency, not the economic crisis nor the Greek economy's competitive ability nor unemployment can justify this drop in the standard of living of the working people.

Instead of loading the working people with the crisis burden, the government should first strike at the immunity of the foreign and local monopolies; should eliminate their tax exemptions, restrict their big profits, curtail their profit mongering maneuvering and implement an anti-monopoly policy and not a policy of one-sided austerity for the people.

The working people will not tolerate the drop in their standard of living and will repulse the demagoguery of the Right which has the courage to appear belatedly as the defender of the people's interests. They will show a united and fighting spirit for meaningful changes in a direction of an anti-monopolistic, planned development for the good of the people.

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CSO: 3521/113



CONFUSION WITHIN BOTH GOVERNMENT, ND SCORED

Athens MESIMVRINI in Greek 6 Dec 82 p 1

/Editorial: "A Common Denominator: Decay and Confusion"7

/Text7 Emotional by nature, quick-tempered and volatile because of the frequent (and painful) national misfortunes, we modern Greeks have not developed among our political virtues steady commitment and service to certain principles. We are very easily disappointed and even more easily we withdraw our confidence from those whom until yesterday we held high as the inspiration and embodiment of our ideology. In the modern Greek political atmosphere enthusiasm is at times one of the most volatile gaseous substances that fill it. Not infrequently, when enthusiasm evaporates suddenly, it leaves in its place other heavy and disagreeable odors.

If these observations apply to all phases of our free public life (which several times suffered disasters from these dramatic changes in the popular feelings) it is worth calling them to mind at this specific period we are now going through and which has unprecedented uniqueness: that there is not a single group, albeit a small one, within the entire spectrum of public opinion which feels content or optimistic. On the contrary, in all political camps, starting from the one associated with the government all the way to the more extreme and marginal as well as in all social classes, are the common emotional denominators--displeasure and doubt. Perhaps never before has the picture of the political atmosphere been so gloomy and confused as the one which reflects the current political situation.

It seems that all--regardless of party or social alignment--suffer from confusion, this dominant and irritating characteristic of these days; yet few try to search for the reasons that have caused this politico-social cloud; and even fewer try to cleanse the atmosphere of this dangerous confusion.

In the governing party and by extension not only to the organized followers but also the broad, shapeless mass of its supporters, the confusion is caused basically by the gap that emerged between the campaign visions and the post-electoral discovery of their chimeric nature, soon after the party came to power. This gap, dizzying and disheartening as it is, instead of being covered with specific achievements, becomes wider and deeper, thus increasing the vertigo of those who had placed in PASOK hopes that exceeded not only the abilities of the "Movement" but also those of the country itself under the unavoidable international conditions. Of course the most evident manifestation of disappointment is found in the popular

discontent with the economic conditions. But however visible this discontent may be (and even if it constitutes a negative economic recession) it is not the most serious symptom of this unhealthy situation. Much more unhealthy phenomenon for the deeper political developments is the ideological uncertainty and the wavering orientations that the governing party finds necessary to teach to its followers in order to justify the dramatic battering in the sea of its international and domestic inconsistencies.

Just as bad (ever worse) is that things are not going any better in the area of the Opposition. PASOK may appear lucky (for the time being) that the major opposition is being exercised by ND which for more than a year now has not recovered from its post-electoral crisis, has not restructured its ranks and has not classified its ideological identity which has become cloudy after repeated errors towards its opponents. But the continuation of this anemic Opposition will soon prove a serious misfortune for PASOK and more importantly for the country itself. Not only because in our time the famous saying of Disraeli (that it is impossible to govern well without a capable opposition) is still valid; but, above all, because today more than ever before, our country needs an enthusiastic mobilization (and utilization) of forces for moving forward in the international arena, for coping with threatening foreign problems and for overcoming its structural, internal weaknesses.

In the daily lowly and cheap antagonisms, in the artificial propagandistic tumult and the ideologically groundless feuding, we seem all to forget that as a nation we face the most serious challenge in our history: our incorporation in Europe. It will depend on us whether we will prove to be co-leaders in the creation of a new, all-powerful family of people and of a dynamic civilization capable of overcoming the creeping world crisis, or be pitiful, incapable and weak minor actions. While the battle of ideas and inspired efforts should evolve around these great issues which will affect the very existence of our country (and especially the well being of the younger generations), we waste our time in destroying each other and in undermining each other by the easy method of demagoguery as government or opposition, that is, the deception and disorientation of the people (and especially of the young) from the lofty objectives and the specific but also difficult targets.

Enough irritatingly inactive time has already gone by since the Change of 18 October 1981 so that neither the victory of the governmental camp nor the defeat of the New Democracy Party is an acceptable excuse for the confusion and perplexity of ideas and actions which are offered for consumption by the Greek people.

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CNO: 3521/113

## GOVERNMENT REORGANIZATION REPORTEDLY PLANNED

Athens AKROPOLIS in Greek 4 Dec 82 pp 1, 7

/Text/ The premier will make a new "deep change" in his government, the heads of various public organizations and banks, the secretaries general and nomarchs. The "massacre"--as the expected reshuffling is characterized--will be extensive and will include ministers, deputy ministers, secretaries general and nomarchs.

## Who Will Leave

The replacement or transfer of ministers should be expected after the holidays--in January or February. The fate of the following is uncertain:

Commerce Minister G. Moraitis and Deputy Minister Pangalos; Urban Planning and Environment Minister And. Tritsis; Communications Minister N. Akritidis and Deputy Minister Valyrakis; Research and Technology Minister G. Lianis; Social Insurances Minister El. Veryvakis and Deputy Minister Stavroula Kaklamanaki; Minister of Northern Greece V. Intzes.

Insecure also are the positions of Deputy Ministers of New Youth K. Laliotis (he is considered to be "politically superficial and immature"), National Defense Zakolikos, Agriculture Gikonoglou and Giotas, Health and Welfare Maria-Perraki-Kypriotaki and I. Florou.

## Arsenis-Koulouris

According to the same reports, Arsenis and Koulourianis of the economic sector are also in trouble. It is known that these two ministers of national economy and commerce who were assigned to stem the downslide the economy experienced during the past 12 months failed to check inflation. Thus, they may become the "expiatory victims" and the party machinery may hold them responsible for the unpopular measures.

## Men Wanted

Besides the incompetency and failures of most of his ministers and deputy ministers (failures which deteriorated the internal conditions) Papandreou faces another difficulty: He does not have capable persons to include in his government. The

following report is indicative of such lack: Papandreou is about to reappoint Lazaris and Petsos and the first will again assume the top position in the economic sector.

It appears, on the other hand, that George Papandreou, son of the premier and deputy from Akhaia, may also join the government in the sector of "popular enlightenment" and that other deputies who either are loyal to the premier or are continuously grumbling may also be used.

Also, the dismissal is certain of the secretaries general in the Communications, Culture and Civilization and Social Services Ministries and of the directors general of transportation, telecommunication and the Public Power Corporation as well as of the governors of all banks.

Finally, about 12 to 15 nomarchs--all followers of the Change--will be dismissed.

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CSO: 3521/113

## BRIEFS

STATISTICAL DATA ON PAN-ATHENIAN MEETING--The party organization meetings in Athens, Piraeus and other parts of the country will be concluded today. These meetings elect by secret vote the representatives to the party's congress. The composition of the Fifth Pan-Athenian Conference of the Athens Party Organization /ROA/ is as follows according to the data published yesterday: /In percentages/: Factory workers, 36.5; employees, 20.3; artisans and craftsmen, 6.5; professionals, 28.5; artists, about 1.0; pensioners, 1.0; students, 6.0. Among all representatives 78.3 are men and 21.7 women. More than 50.0 are under 30 years of age. Specifically, 52.0 percent are less than 30 years old, 34.0 percent are 31-40 years old, 6.5 percent are 41-50 years old, 3.5 percent are 51-60 years of age and 3.5 percent are over 61 years old. A large percentage (34.5) of the delegates hold positions in various organizations of the mass popular movement and many of the delegates were imprisoned during the 7-year junta period and earlier for political or unionist activities. Others were exiled during the unsettled post civil war period and the total time served in prison and exile by these delegates to the conference is 438 years and 2 months. /Text/ /Athens RIZOSPASTIS in Greek 5 Dec 82 p 17 7520

CSO: 3521/113

## CGIL-CISL-UIL FEDERATION REPORTED IN DECLINE

## Loss of Workers' Respect

Rome L'ESPRESSO in Italian 14 Nov 82 pp 260-263

/Article by Federeico Bugno: "Very Sick Union"/

/Text/ Ten years have now passed since the launching of the Unified Federation. And the union is not holding up: membership is dropping, the unemployed ignore it, and the workers dispute it. In the north a cave-in, in Rome a crumbling away...

Rome--The signs are all plain and unequivocal. The Italian trade union, that phenomenon of mass mobilization that lasted throughout the 1970's, and which for some was a "movement" and for others the starting point for a great unifying institution, is a thing of the past. It is seriously ill, and many people despair of being able to save it. Who still remembers--given the current confused meetings, which are deserted at Fiat, and conducted in a scholarly fashion at other plants--the image of strength that these same meetings conveyed at the beginning of the past decade? Who still recalls the bent-over figure of Mariano Rumor, then prime minister, who was compelled to carry out the removals of 6 July 1970 only because the union (that union) had announced a general strike?

Ten years of navigation have passed since the launching of the big ocean liner that we have known as the Unified Federation CGIL-CISL-UIL /Italian General Confederation of Labor-Italian Confederation of Labor Unions-Italian Union of Labor/. And today it displays to the full all the same defects in planning, development and equipment that have characterized it during its existence. The captain's bridge has been dismantled, the compass has gone wild, and the route is ill-defined. The reasons for all this are explained in the study contained in the following pages. However, they can be summarized under three main failures: the first relates to political principle, the second to the economic crisis, and the third to the unified organization's goal.



## Political Weakening

It was the last few years of the Center Left and the years of national solidarity that witnessed the growth in the union's political role. It was primarily at the beginning of the 1970's that it gained strength by exploiting to the full the substitutionary role permitted by the inertia of the parties and the abdication of responsibility by Parliament. In the factory, people began to include environment and health (issues that are legislative responsibility) in contract bargaining and to discuss in triangular meetings with government and management such issues as investment, the south, everything... Then, in the latter part of the decade, the union became a direct guarantee of the democratic inclusion of the PCI in the majority. Parliament and government have today reversed this objective, and while the former issues legislation on issues of retirement and pensions (where does contractual autonomy end?), the latter has flatly announced the blocking by law of wage indexing. As for the PCI, the fact that it withdrew its delegation to the union outweighs the denials.

## Lack of Proposals for the Economy

A union is strong when management is strong. And now that the crisis has impacted almost everywhere, the union has seen its best weapons blunted. The south has disappeared from its programs, and revival of productive investment has become a largely ritual slogan. The union is turning within itself, defending interests that are more and more organizational, defense of the job position and wages, and search for an approach under which the unemployed and non-tenured workers will no longer have any justification. And membership declines, strikes fail, and meetings are more and more deserted.

## Organizational Crisis

Unity does not exist, and it has never existed in the 10 years' existence of the Unified Federation. There was, at most, a will for unity. Now that this will also seem to have diminished (the trade unions are not booed for what they say but only for the card they hold), and even the little organization that had been achieved is falling apart. However, the major fault lies in something else: not having been able to establish internally the instruments of representative democracy that are the only thing that could have insured a direct line from bottom to top. Today, the line seems to have been broken.

## Decline in Membership

Rome L'ESPRESSO in Italian 14 Nov 82 p 263

/Article by T. M. : "The Worker Is No Longer Joining"/

/Text/ Rome--The crisis of the union is reflected clearly in the decline in numbers, which, though with great caution, the three confederations are now forced to admit. A decline that is becoming precipitous is affecting the most important Italian union, the Federation of Metal Workers (FLM), which was moreover, in past years the leading edge of combativity and also of trade union presence in the factory.

A few months ago, it was Rinaldo Scheda, on leaving the secretaryship of the CGIL after a many-term career, who sounded the alarm. And the statistics naturally provided confirmation. In September this year, more than 100,000 members had yet to renew their membership cards, a figure that assumes a greater political dimension when you consider that by contrast there was an increase in the number of members on pension, that is, those who had stopped work, from 1.186 million to 1.24 million.

In the UIL, the decline in members as of 30 September was about 56,000 (approximately 5 percent). However, the Via Lucullo union has shown during the year a particular "aggressiveness" and presence among middle-level staff and foremen in factories, and has often made up for the loss of workers with an increased consensus in other labor areas. Nor is the situation in the CISL different from that of the CGIL and UIL.

It is a sad record indeed for the FLM. The membership crisis was most serious in Piedmont and Lombardy, where the loss in membership is estimated at 20,000 and 25,000 members respectively. In 2 years, the Piedmont FLM has lost 45,000. From the 1.78 million members announced in 1979, the unified union has dropped to under a million.

#### Situation in the North

Rome L'ESPRESSO in Italian 14 Nov 82 pp 263-271

/Article by Gad Lerner: "The Decline in the North"/

/Text/ Milan. As of 3 months ago, the CGIL-CISL-UIL Unified Federation no longer exists. The decision to dissolve it was made by socialist Antonino Di Stefano, 37, provincial secretary of the UIL. What were the reasons for this serious decision to break up the unified union? Di Stefano explained: "The body was only the sum of the CISL's tendency of aggressive demands and the CGIL's practical maximalism, held together by a logic of parceling out the power at the provincial level. They are dominated by the metal workers: incapable of developing their own policy but capable of making the historic compromise on the backs of our 9,000 members."

Is this breakup of a trade union organization an isolated event in this cold autumn of 1982? For Lama, Carniti and Benvenuto the answer to this question is becoming daily more disturbing. Never in the postwar period has the union's popularity been so low, particularly in the Milan, Genoa and Turin industrial triangle. Union elements that have left on their own initiative, meetings held at the same time and place as the unified meetings, decline of the factory councils, and secret plans for internal struggle. Meanwhile, workers, laid-off employees, and the unemployed do not concern themselves about choosing among Lama, Carniti or Benvenuto, but are divided instead on the basis of their immediate interests. One of the most striking consequences of the big breakup of the past few months in the industrial triangle--and perhaps already taken into account, at least by some strategists--is the sharp drop in cardholders. This is a predictable trend in a recession phase, but one which, following the shelving of the wage indexing, could involve hundreds of thousands of workers at the lowest levels, or those discharged from production. Meanwhile, each trade union is working to build a new social base, or is trying to maintain ties with its own present base.

Turin. It was in Piazza Statuto, headquarters of the UIL. No meeting like this had been seen for years. Attilio Capuano, a PSI trade unionist, had independently assembled 32 delegate members of the trade union from the Carrozzerie Fiat Mirafiori. He explained: "It is our only alternative in face of the 'joint decisionmaking,'" and thus we should no longer be shocked by the end of the 'social pact.'" He continued: "The main demand that the workers are communicating to us is that wages in the future should be tied to performance; and as for health in the factory, it is true that it cannot be bought, but at least we do not just give up on it, and when needed we insure that it is well funded." On the basis of these ideas, Capuano decided to form a "coordination unit" of UILM delegates.

The UILM's new factory activism infuriates the other part of the union. Bottino, an operator who is a member of the Mirafiori fifth branch, said: "At the Carrozzerie plant council meeting, I saw a UILM delegate, Rocco Carella, get up to say that he was fed up with talking about collective contracts for renewal, and that it would be better to concentrate on the problems of the individual lines. With people like Fiat you can go on the offensive, as at the Meccaniche, by proposing an agreement tying wages to productivity and to worker attendance."

This, by the way, would be an agreement not at all displeasing to Capuano: "These 'purists' of the FIM /Italian Federation of Metalworkers/ and FIOM /Metalworkers' Union/ who are so afraid of weakening the class trade union, do not even have the courage to convene the Meccaniche council, because they are well aware that the workers would impose that agreement on them." Two FIM members, Epifanio Guarcello and Mario Costantini, replied: "It is not true that the Fiat workers who have succeeded in holding onto their positions go along with the policy of opposing the 'old' egalitarian demands. It is true that there is a great deal of concern in the factory, because people no longer trust the union, but they do not trust Fiat either. They would be satisfied with having strict application of the automatic provisions of the wage indexing; they are not motivated to get involved with contract renewal."

The rifts at Mirafiori, where the wage indexing document was rejected, are spreading throughout the union. For example, Fausco Bertinotti, a PCI member and leader of the Piedmont CGIL, publicly opposes any proposal to modify wage indexing, including the proposal of Lama and Marianetti. Bertinotti talks about a dramatic situation that the social divisions among the workers and the cracks in the union hierarchy have increasingly created: "We in the CGIL cannot allow ourselves to break ties with the third-level workers, for whom the single cost-of-living payment remains a source of security that cannot be given up. However, we are not satisfied with representing them alone. On the other hand, if the UIL wants to defend a policy of wage differentiation, it might in the future win some agreement among people at high levels, even though for the moment its base is foundry workers."

The CISL, which is sticking to 'hard' positions, has good relations with the CGIL, but without sacrificing its practice of making its autonomous voice heard: from the top floor of the joint headquarters it recently began broadcasting its own "People's Radio." The CISL organization in Genoa is also looking for funds to start a radio.

In the complicated geography of the CISL in the north, the Turin members tend to keep their distance somewhat from the extreme left represented by the Milan FLM of Giorgio Tiboni, the first leader of an entire dissident union segment, and the theoretician of the "rejection of the compatibilities of the reorganization." However, their secretary, Adriano Serafino, has joined the editorial staff of AZIMUTH, the journal established this fall by Tiboni to provide a focal point for the internal disagreement in the union. Also, Carlo di Giacomi, secretary of the Turin FLM, has said he agrees with the Milan members on one key point: "We want to obtain the integration and rotation fund in order to avert final layoffs of workers from factories. We have already succeeded in this at four Turin enterprises."

Milan. How much strength has Tiboni marshaled by acting as a counterfigure for his own national secretary, Franco Bentivogli? It can be said that although he is isolated in the Milan union and attacked by the regional FIM, Tiboni does not run a risk of being "torpedoed" because he is succeeding in presenting himself as the leader of a national movement within the union. In addition to the 34,000 Milan members (many in the Sempione, San Siro, and Lambrate area), the people in the Via Tadino headquarters also count on the support of the FIM organizations of Trento, Padua, of the Garda area, and of the Sardinians and Sicilians, as well as the good will neutrality of the Turin members. In addition to the metalworkers, there are other CISL categories: printers and food industry workers. In Pavia, the FIM secretary is the object of violent hostility from the "Tiboni" members of Necchi, the principal factory in the province, who have for months been engaged in a struggle to obtain a 75,000 lira increase, equal for everyone. Also, the FIOM has to deal with its own highly undisciplined Tibonis: communist Giorgio Cremaschi, the charismatic leader of the Brescia metalworkers, and Francesco Garibaldi of Bologna, both of whom not only led the workers' "no" in the consultations, but have for some time been in a polemic with the CGIL itself.

Everyone feels, from the left side, the hot breath of those members of the Proletarian Democratic Party who have launched a major campaign against modification of wage indexing, and who, in Milan, count on at least 10 percent support in the factory councils and within the FLM.

However, let us witness firsthand this Tiboni at a routine meeting in the Manzoni de Sesto San Giovanni cinema, where he is chairing a delegates session. One after another, protests are heard against "those people in Rome," until one CGIL member for Siemens Elettra says: "Tearing up the membership card is not enough for me. I wish it were made of stone so I could throw it at their heads." Applause. In a place like this, where a striker is also called a Benvenuto "whistler," there is no room for the UILM, and its already sparse membership is declining. "Previously, I was never able to get any response from members in this communist stronghold," Tiboni says. "But how is it that they are not understood? Rome had hardly finished telling them that the contract demands would be kept moderate in order to defend wage indexing, and now they say that we will have to yield on that also."

The testing ground in Milan for all trade union policies has been the crisis at Alfa Romeo, where the FLM is officially split: FIOM and UILM on one side; FIM CISL on the other, the latter also spurred on by the committee supporting the integrated fund. There has been unity only on the "no" to the strong union document. Vito Fiorito, a union member from Sempione area, said: "The PSI has planned a massive action against Alfa Romeo." Along with several socialist cadres from factories, the national leaders are descending into the arena, and will be paying attention to ties with a key man such as Giuseppe Medusa, chief of personnel at Alfa Romeo, who is also from the socialist realm. Tiboni admits: "There are only a few of us, but we are better able to make ourselves heard than the communists, partly because one group of the PCI has been hegemonized by the policy of acquiescence to the Massaccesi reorganization, while virtually all the remaining half of the communists agrees with our positions." Thus, the secretary of the Ricotti plant communist section resigned, announcing that he would no longer perform the role of delegate (the comment at Alfa Romeo was: "So what, no one would have reelected him anyway"), while another communist, Contardi, was the promoter of the Lama, Carniti and Benvenuto contest.

Within the next few days, moreover, a group of factory delegates, most of them from Milan, published in the papers a lengthy advertising announcement that described as "reticent, confused and inaccurate" the Unified Federation's document on diluting the wage indexing.

This judgment by the communists does not seem prevalent in Genoa, where they are still licking their wounds from the internal clash in the Italsider factory council. "What happened was that the FIOM launched a membership campaign in violation of the agreement that each union would be limited to renewing only an agreed number of memberships," explained Franco Ventura of the Liguria FIM. Meanwhile, the CISL people are complaining of an outflow of members: many of their communist members have turned to the mother institution, the FIOM, while the UILM tries to enlist all the socialists. Ventura noted: "The strange fact is that the ones inciting polemics are not so much the old communist members of Italcantieri or Ansaldo, but mainly the young FIOM cadres. They regard as a feather in their cap the fact that the Genoa strikers blocked the Carniti 'solidarity fund' and the Tarantelli proposal on wage indexing. They are union members who have only political dimension, without our experience in contract negotiation."

#### Disinterest Among Unemployed

Rome L'ESPRESSO in Italian 14 Nov 82 p 265

/Article by R. S.: "The Unemployed No Longer Trust"/

/Text/ Rome--The situation could not, on balance, be more negative. This year, the number of unemployed members of the CGIL, the majority of them young people, was only 14,000, a slim portion of the more than 1 million youth who crowd the labor market, and of the 2.3 million unemployed on the job wanted lists. When the CGIL congress a year ago officially opened the organization's doors to include anyone without a job, the decision was greeted



as an important change in the strategy of the largest Italian trade union. Today, the hopes have been drastically revised. In Turin, Milan, Venice, Florence and Rome, the CGIL has not admitted any unemployed to membership. Even in the south, from where most of the new memberships have come, there has also been a significant number of defections. Also in Palermo, with an explosive employment situation, the CGIL's organization office has not succeeded in signing anyone up. The only substantial result was obtained in Naples, where the membership drive was conducted jointly by the three confederations, which today have about 5,000 unemployed youth members. Here also, this is a modest result in comparison to the 527,000 people currently registered with the regional employment offices.

This is a large number of people to whom that same union finds it difficult to give concrete replies. The Unified Federation's document on the labor cost proposed a guaranteed allowance to youth who are job hunting, offering two alternatives: a kind of social wages for an indefinite period, with the youth available to take vocational training; or a temporary allowance tied to work of public service value. The Naples unions quickly came out in favor of the first solution, which, however, is the more welfare-oriented alternative. In fact, an experiment was already tried in the earthquake-afflicted areas that cost the state hundreds of billions yet did not result in any stable employment.

#### Attitudes in Rome

Rome L'ESPRESSO in Italian 14 Nov 82 p 267

/Text/ Rome--And "at the center"? What is the mood within the three confederations or at Unified Federation headquarters? But in particular, what is it that still keeps together these three increasingly different trade unions, in which the contrasts are growing with passage of time? And what is it that so strongly divides them? What are the issues, at least the main ones, in this disagreement? Dating from 1979-1980, we can identify at least four: relationship to the political framework; economic policy; contractual policy; and trade union democracy.

#### Relationship to the Political Framework

There are many elements of difference (we think of the differing attitude today of the CGIL, CISL, and UIL in compatibility disputes), but there is one in particular of a general nature: the issue of so-called "political exchange." On the one hand, the CGIL and CISL both favor, though with different nuances, an "exchange" involving those economic variables controlled by the union (wages) and those controlled by the government (fiscal policy, prices and duties, public investment, credit policy). The exchange should come about in the following way: definition of an expansive economic policy anticipating increased employment and production; a wage policy that encourages the achievement of those objectives.



The CGIL's attitude is different. First of all, the Corso d'Italia confederation has an objection of an ideological nature that is evidenced throughout the union, though with different emphases. An exchange of this kind would be "ideologically unnatural" in that the union-government relationship is always of a confrontational nature; yet if an exchange had to be made, it could be done only with a "friendly" government.

#### Economic Policy

The disagreements in working out a common economic policy are the direct result of the differences on political exchange. One point in common among the three confederations is that there must be a relationship between wage changes and the projected rate of inflation (16, 13, 10 percent from 1982 to 1984). However, this is where agreement ends, because disagreements promptly arise over the macroeconomic compatibility framework. The CISL and UIL regard as realistic a forecast that discounts a non-increase in real wages and the use for investment of the possible new resources that this should make available. Also, the tax burden on wages should not increase, but rather decrease. By contrast, in the CGIL ("Garavini," textile workers, and metal workers) there are tendencies that in fact undermine the coherence of this approach, calling for: 1) Automatic compensation accompanying modification of wage indexing, and tax breaks for lowest incomes, 2) easing of the progressive formula for middle-level incomes, 3) increase in family allowances, and 4) renewal of contracts.

Other differences concern the labor market and aspects of industrial policy.

#### Contract Negotiation Policy

There are different approaches on the contractual system. The UIL has made a proposal aimed at reducing the period of the economic section of contracts to 2 years, and increasing to 4 years the period for provisions on standards. It has further proposed that there be three levels of negotiation: inter-union, to discuss the more important policy aspects (such as labor cost, investments and indexing); national-level, by categories of workers, on general issues regarding labor organization and the economic aspect (with details of increases strictly specified, and not equal for all); and organized by business or area to discuss the specific organization and the business pay rate in relation to the particular nature of the occupation, environment, etc.

The CGIL and CISL reject the two different deadlines for contract settlement, and favor changing the bargaining levels as little as possible.

#### Trade Union Democracy

The disagreement concerns election of the factory organizations, the decisionmaking process role of assemblies, and the degree of integration of unified organs. There are differences also on introduction of the secret ballot (only the UIL in favor), on the possibility of a referendum on very important decisions (again, the UIL in favor, CISL and CGIL opposed), and the regulation of assemblies (the CISL and UIL want the size to be 50-100 persons so as to give everyone the chance to participate).

## Autonomous Auto Union

Rome L'ESPRESSO in Italian 14 Nov 82 p 269

/Article by G. L.: "If We and Benvenuto..."

/Text/ Turin--"If our agreement with the UIL works out, Benvenuto's union will gain the majority at Fiat, Olivetti, and Riv." This was stated by Giuseppe Cavallitto, 46, coordinating secretary of SIDA /expansion unknown/, the autonomous auto workers union founded in the latter half of the 1950's with the help of Fiat. Today, SIDA rejects the label "yellow union" and instead readily accepts the label "balance scale indicator" in view of its 10,200 members in the Turin province. In the context of the general union crisis and the further decline in a membership that in Turin, even during the "active" years, had never reached half of the unemployed workers, SIDA has been courted by Giuseppe La Ganga, secretary of the Ferro branch of the UIL in Piedmont and a stalwart of the socialist leadership for local organizations. Cavallitto explained: "We are jealous of our autonomy, but certainly we are also interested in a representation agreement with a confederation." And that confederation is precisely Benvenuto's, with which the SIDA jointly "controlled" the Fiat internal committees from 1958 to 1962. Certainly, the alliance could not be restored on exactly the same terms: in its effort to block the merger of SIDA into the UIL, the Piedmont CISL is proposing that it be the FLM as a whole that opens negotiations with the autonomous union. However, Cavallitto was adamant to the metal workers of the confederations: "Our philosophy is to work, to be paid, to be respected and, if possible, to participate. It is certainly not to block the gates or be on strike for 50 days, as has happened in recent months." However, the affinities with the UIL have certainly not been concealed: "On issues among workers such as the referendum, regulation of the factory committees, and a union compatible with the factory nature, the UIL is now discovering things that we have been saying for years."

## Loss of Purchasing Power

Rome L'ESPRESSO in Italian 14 Nov 82 p 271

/Article by Riccardo Sabbatini: "Pay Is Also Losing Value"/

/Text/ Rome--The time for settling accounts is approaching in the matter of employee salaries. What had been termed the year of the social pact, and of harmonious and controlled increase in wages and prices, developed into a black year for workers' wages, the worst in the last 15 years of trade union history. If nothing changes between the social parties and the government, 1982 will end up showing a net 4.4 percent loss in pay compared to the preceding year. The worker's purchasing power will thus have been reduced by an average of 478,000 liras. If the government approves in December new relief for taxpayers, real income will still decrease though by a smaller margin: 3 percent, equivalent to 337,000 lira. These estimates were produced by the CGIL's study center, IRES. L'ESPRESSO had asked it to provide statistics

on the effects of inflation and the increased tax yield on pay. The study center's conclusions, which are supported by figures on the same subjects from the Central Statistics Institute, are disturbing. Though labor cost will have increased by 16.9 percent by the end of the year, exceeding the ceiling set by the government, pay will show a much lower rate; including taxes, the increase will not be more than 14.5 percent. This is too small to compensate for the rise in cost of living, which IRES estimates at 16.5 percent compared to 1981. Considered net of taxes, the situation will ultimately become even worse, because tax pressure will no doubt result in taking another slice of wages.

In June last year, in order to get underway the dialogue among the social parties, Spadolini proposed an approach of his own: labor cost should not increase more than tax planned by the government and, at the same time, real protection of earnings should be guaranteed. Today, both these guidelines have crumbled, and the fact that Confindustria and unions, for opposite reasons, continue to cite them, does not change the outcome. If anything, it makes the issue unresolvable. In fact, the owners do not intend to renew labor contracts because labor cost has already exceeded 16 percent. On their part, the unions are little disposed to make concessions since pay has already declined dramatically. The negotiation among the social parties now in progress is stalled precisely on these points, and it is unlikely that intervention by government authority or results from the consultations underway in the factories will succeed in improving the situation.

In reality, in order to make Spadolini's proposal applicable, it would be necessary to markedly reduce the tax drain on workers and enterprises; and, above all, avoid an increase in inflation above 16 percent as a result of tariffs and the public debt.

#### Loss of Purchasing Power of Pay in 1982

The two hypothetical situations refer to the current agreement (situation 1), whereas situation 2 reflects subtraction of the second phase of tax reductions proposed by the government.

	<u>Situation 1</u>	<u>Situation 2</u>
--Gross loss of pay in relation to inflation	-1.7%	-1.7%
--Increased tax burden on workers	-0.8%	-0.8%
--Increased tax pressure	<u>-0.5%</u>	<u>-1.9%</u>
Total	-3.0%	-4.4%
Average loss in liras	337,000	478,000

9920

CSO: 3528/56

## CONSERVATIVE PARTY CHAIRMAN DENIES HE LACKS WILLOCH SUPPORT

Oslo AFTENPOSTEN in Norwegian 23 Dec 82 p 3

[Interview with Conservative Party chairman Jo Benkow by Thorleif Andreassen; date and place not given]

[Text] "It is too bad that people do not believe my own and the prime minister's assurances that we are cooperating very well. Kare Willoch has never advised me to leave my post as chairman or as parliamentary leader." Jo Benkow said this to AFTENPOSTEN. Benkow does not hide the fact that claims to the contrary upset him. "It is not true that I lack the necessary party confidence."

The Conservative chairman maintains that he does not sense any lack of confidence in the Storting group, in the party or within the government. "And no newspaper has been able to quote statements from a representative of the group, the party or the government to support the speculations about a lack of confidence," Benkow pointed out.

[Question] So there is nothing wrong as far as confidence is concerned?

[Answer] What has given me the most joy in my work is the close personal relationship of confidence we have in the Conservative Party. No one from the press should be allowed to destroy that. I am concerned about what our energetic delegates around the country might be led to believe when they read about alleged conflicts within the Conservative leadership.

[Question] You and Prime Minister Willoch must have talked about the work load that must be involved when one person holds down the demanding jobs of party chairman and parliamentary leader.

[Answer] Yes, we talked about that. We had a long discussion about it before the last national congress. We weighed the advantages and the disadvantages.

[Question] What advice did the prime minister give you?

[Answer] He said I must make my own decision on these matters. In our joint consultations we decided that it might take extra work to co-ordinate the party leadership if it was divided up among three people. Besides there were no obvious candidates to take over.

[Question] Is it correct that you received urgent requests from central people in the party to continue as both chairman and leader of the Storting group?

[Answer] Yes, that is correct. In addition a great many county chairmen and large parts of the party apparatus gave me the same advice. They felt that if I left, there would be a hard struggle among many capable candidates. The outcome would be extremely uncertain. Let me say also that I asked many of my colleagues for advice as to how I should use my time at work.

[Question] Was all the advice the same?

[Answer] Yes. In the party organization I was unanimously advised to remain as chairman.

[Question] So you are generally satisfied with the way in which you are handling your job?

[Answer] I have never considered myself infallible or unique in any way. But the fact is that the party elected me chairman. The Storting group elected me parliamentary leader. If I had been in doubt about my re-election at the party congress or my election as parliamentary leader, I would not have dreamed of making myself available. I certainly have not done everything equally well, but I think very few people in our respective bodies would recognize the "reality" that is being described in some places.

[Question] Do you agree that some of your statements have not been in agreement with what has been said in government circles?

[Answer] No, that is not true. Aside from the fact that I expressed myself in an unfortunate way on the wage settlement, which I regretted immediately afterward, there have been no contradictory statements from the government and the party chairman. But (Benkow stressed), as party chairman one sometimes has to take different things into consideration than the prime minister does. It will often be natural for a party chairman to place a stronger emphasis on party viewpoints. That is simply a duty one has as chairman. The head of the government must be the prime minister of all the people. When that has been said, I cannot see that there have been any disagreements between me and the prime minister.

(For some time Jo Benkow has been pulling thoughtfully at an unlit cigarillo. He stares gravely into space and concedes that the "slaughter" he has undergone in the last few days has taken its toll.)

[Question] When one seeks the public spotlight, one also has to take public criticism.

[Answer] That is true. But the form and extent of the criticism, which affects leaders of other parties just as often, can help to weaken the general reputation of politics. I want younger people to become wholeheartedly involved in social issues. It would be sad if the extremely unobjective references to politicians in positions of leadership led many valuable people to feel repelled by the political environment.

[Question] How satisfied are you with your role as communications conduit between the government party and its supporters?

[Answer] Personally I think this is functioning well. We have an unstrained relationship with the leaders of the Christian People's Party and the Center Party. With regard to communications with the government, I have had the excellent assistance of Petter Thomassen and Jan Syse whom I always consult with regard to the advice we give the government on behalf of the Storting group.

[Question] What about the leadership of the party organization?

[Answer] The daily leadership of the party organization is carried out by an extremely loyal staff, headed by Fridjov Clement. It should be noted that despite colossal work loads, Willoch attends practically all the party working committee meetings, which are held each Wednesday at 0830 hours. Here the political situation is discussed. All problems are presented openly.

[Question] No communication problems?

[Answer] No. Every Tuesday morning there is a meeting of the leadership of the Storting group. The party's secretary general attends that. The prime minister also attends regularly. On Mondays and Thursdays there are government conferences which I attend. On the occasions when I cannot attend, Petter Thomassen represents the Storting group. In addition, the prime minister and I have frequent talks. This refutes the charges that there is a breakdown in communications in the party, Jo Benkow stated.

6578

CSO: 3639/43



## CENTER PARTY MP HITS COOPERATION WITH WILLOCH ON ARMS POLICY

Oslo AFTENPOSTEN in Norwegian 23 Dec 82 p 3

[Text] Ragnhild Q. Haarstad of the Center Party launched a frontal attack on her own party this week in the SV [Socialist Left Party] organ NY TID. She is not satisfied with the party's position on defense and security policy this fall, but the Hedmark representative saved the strongest salvos for the cooperation with the Conservative Party.

In an interview with NY TID, Ragnhild Q. Haarstad said that the Center Party must define its own views to a larger extent than it is doing now. "The relationship of a small party to a larger one is a problem in itself and contributes to its self-destruction in the long run. The more a small party comes in the shadow of a large cooperating party, the less the voters feel that the little party offers them an alternative."

NY TID asked the Storting representative if this means that she will oppose Center Party participation in a three-party government. "Yes, it is definitely my opinion that this would be an unfortunate mistake. The Center Party is now small and weakened in Norwegian politics. I see that as a consequence of the cooperation with the Conservatives. I agree with Per Borten, who has said that the biggest mistake we made in this matter was committed when Dagfinn Varvik took the initiative in sounding out the Conservatives and the Christian People's Party. That legitimized the Conservatives as far as our voters were concerned. It was this political legitimacy that paved the way for the Conservative gains in rural areas. It was different with the Borten government."

6578

CSO: 3639/43

## FALLDIN PESSIMISTIC ON CHANCE FOR COOPERATION WITH PALME

Stockholm DAGENS NYHETER in Swedish 5 Dec 82 p 6

[Text] "The fine talk about outstretched hands does not tally well with the policy actually being pursued by the government." So said Thorbjorn Falldin, Center Party leader, in Orebro on Saturday.

Falldin continued: "The trend toward corporatism and the shifting lack of consideration for Parliament are not creating a basis for cooperation and unity around a policy that will lead Sweden out of the crisis."

Falldin recalled that during previous serious crises, the Center Party and the Social Democrats have been able to cooperate on an emergency policy.

But today, it seems that for the Social Democrats, negotiation means accepting or rejecting proposals which have already been firmly rooted in the union organizations and which are not negotiable in practice.

He said: "Everything indicates not only that the plan now is to run away from the election promises, but also that the policy is going to lead to a general lowering of the standard of living, strong inflation, a record budget deficit, and demands for sharply increased foreign borrowing. The Swedish people will now have to pay for the fact that during the election campaign, the Social Democrats refused to understand what is required by reality.

"According to estimates by the Association of Local Governments, the record devaluation alone will cost the municipalities and county councils about 2.6 billion kronor. And because of the higher value-added tax and the higher employers payroll tax, we will have to shell out about 870 million kronor more. In all, that comes to 3.47 billion kronor in additional costs."

11798

CSO: 3650/67

## PALME'S BEGINNING PLAGUED BY DISHARMONY IN CABINET

Stockholm DAGENS NYHETER in Swedish 5 Dec 82 p 7

[Article by Ake Ekdahl]

[Text] The Palme government's first months in office have not been the triumphal march that he himself imagined after his election victory. That is the subject of this Sunday's "Insight" column.

To begin with, Palme found it unexpectedly hard to persuade the party's leading members to join the government. And then the cabinet members began to make blunders. The most serious instance occurred when Minister of Finance Feldt expressed doubts about the wage earner funds, and Palme had to rush in and straighten things out.

And along with that squeaking of the machinery, a new pattern has begun to develop in the Chancery: central control of government work by Palme's office has increased, and uncommunicativeness has become noticeable far outside the government.

In the work on the budget, a tough power struggle took place between Minister of Finance Feldt and Minister of Social Affairs Sten Anderson. Feldt did not want to pay in full for the four election promises. Olof Palme eventually stepped in and made the decision. Feldt had to give in.

But he made up for it with the inexperienced cabinet ministers. Exactly like Strang, Feldt has struck terror into the departmental ministers.

Among those who came out best in the tug of war over tax money were Roine Carlsson, minister of state enterprises, and Anna-Greta Leijon, minister of labor.

Among those who had to capitulate to Feldt were Minister of Education Lena Hjelm-Wallen, Minister of Industry Thage G. Peterson, and Minister of Culture Bengt Goransson.

When Olof Palme was commissioned by Parliament to form his very first government after the election victory in September, he had already quietly made careful preparations for the task. The voters would see energy in action from the very first day following 6 years of nonsocialist quarreling and dissension in the Chancery.

The national economy was rolling rapidly downhill. The government would slam on the brakes that very autumn. At the same time, the social cutbacks would be stopped. Capable and experienced people would quickly be placed in key posts. There would be complete control of government work from the prime minister's chair. The taking of command by another overly powerful minister of finance would not be tolerated.

That was more or less how the newly elected prime minister had things planned, as can be seen from his own statements now that the process is over.

### Serious Blow

Today, 58 days later, it is clear that things did not turn out exactly as he had imagined they would.

First, people are certainly at their posts now, but important problems had to be dealt with first.

Second, the cabinet's dignity suffered a serious blow after an unexpectedly large number of leading Social Democrats either declined when called on by Palme or backed out right at the start because of the unpleasant atmosphere.

Third, energy has certainly been demonstrated, but mostly by appointing delegations, commissions, and working committees on drugs, crime, research, children, the church, equality, and industry. And the documents behind those initiatives are not especially profound or impressive--suspicion can already be discerned concerning one of the government's feature items: Sven Heurgren's hunt for white-collar crime.

Fourth, this fall's work on the budget revealed that Minister of Finance Kjell-Olof Feldt is at least as tightfisted as his predecessor, Gunnar Strang, and that he is spreading terror and anxiety among the departmental ministers and perhaps even as far up as the prime minister's office.

### Three-Way Drama

When it came time to keep the four Social Democratic promises concerning pensioners, the unemployed, the ill, and families with children, a heated three-way drama took place in the Chancery. There stood Minister of Social Affairs Sten Andersson with unpaid election promises facing Minister of Finance Feldt, who was refusing to pay them off.

Only after direct intervention and support by Olof Palme was Sten Andersson, the otherwise strong minister of social affairs, able to win his fight with Feldt.

But what the minister of finance had to give up on health insurance, pensions, and child care, he took back from other less experienced and weaker departmental ministers.

A current example is Minister of Education Lena Hjelm-Wallen's capitulation to a nonsocialist cutback calling for teacherless classes in upper secondary schools.

#### May Lose Ground

A great many more such Social Democratic concessions to stern economic reality will be revealed in the areas of culture, economy, and so on when the consequences of the budget review become apparent.

The minister of finance is fighting for his political life. If the budget deficit goes over 100 billion kronor during the government's very first year, he will lose ground and have difficulty repairing the damage. The expensive debt service is eating larger and larger holes in Feldt's moneybag.

Moreover, the minister of finance found himself even more embattled at the start because of troubles with Parliament and the party that are putting a strain on his credibility.

The big devaluation is Feldt's baby and a reckless venture that is worrying Ingvar Carlsson, who is responsible for questions about the future.

The miscalculations in connection with the tax changes following the agreement with the LO [Swedish Federation of Trade Unions] and the failure with the middle parties and the TCO [Central Organization of Salaried Employees] were embarrassing, to say the least.

#### More Bureaucracy

In Parliament, Feldt is in danger of a setback in connection with the new electricity tax that threatens to knock out certain firms that use a lot of energy, the deduction for rental fees on post office boxes, which means more bureaucracy for the tax authorities, and the higher value-added tax that is to pay for the sacrosanct election promises, all of which now depend on the Communists. In this case, Feldt and Palme are playing with the government as the stakes.

In the midst of all that, to the annoyance of the strategists at party headquarters on Svea Road, Feldt again said that he did not believe wage earner funds would be possible during this term.

Palme finally had to step in and make it clear that the fund promises from the congress were still in force.

#### Whipping Boy

Several people have stumbled in the Chancery's corridors during this running-in period. Minister of Foreign Affairs Lennart Bodstrom quickly became a whipping boy for the newspapers. Now that it is all over, it appears that his lapses

were unimportant and that they were magnified by the opportunism that is common in the world of the mass media.

What did he do to cause such a fuss?

Well, first he made a dig at the Americans over Latin America. When Washington snubbed the newcomer at the United Nations, Bodstrom grew evasive about what he had really meant. Those most indignant were SVENSKA DAGBLADET's editorialist and the SSU [Social Democratic Youth Association].

Then he put his foot in it with the TCO pension that would have made him a wealthy man in these lean times.

So was coined his very own "doctrine": the theory that we should stop criticizing other countries' forms of government and concentrate on cases. It would be hard to get Mr Average Swede out in Farsta upset over that.

#### More Expensive Schnapps

The one who has had the most difficult time with the voters is Sten Andersson, minister of social affairs.

He has not been able to give the Swedish people a valid explanation as to why pensioners will be compensated when schnapps becomes more expensive because of the higher value-added tax, but not when its price goes up because of the devaluation. All the more since the Social Democrats asked for the voters' confidence in the election campaign precisely on the issue of making pensions inflation proof in all situations.

Things were not made better when the minister of social affairs tried to hide behind Lars Sandberg, the Social Democratic chairman of the pensioners' organization. The debate about betrayal then broke out in earnest.

#### Started Talking

There was more blundering during the week when Roine Carlsson, minister of state enterprises, who had not said a word outside the government since taking office on 8 October, started talking. Many hundreds of miles from home--in Vietnam--he felt safe and made a fool of himself concerning the alleged forced labor at the Bai Bang papermill, an SIDA [Swedish International Development Authority] project.

But Roine Carlsson was successful with Feldt and managed to obtain 4.5 billion kronor in the first round for his crisis-ridden enterprises. He will probably get an equal amount in the next round, while the boss, Minister of Industry Thage G. Peterson, has had to be satisfied with crumbs.

Minister of Labor Anna-Greta Leijon is described by observers in the Chancery as just the opposite of Hjelm-Wallen.



Leijon does not tire the minister of finance out with her 18 problems. Instead, she presents only four, which she obstinately works for and usually gets taken care of.

The increased central control of government work startled the Chancery. Increased uncommunicativeness, a new authoritarian tone, and a greater awareness of power among the politicians is being experienced by their staffs, who often view it as annoying. Officials who followed their assignments from start to finish under the nonsocialist governments are now shown the door when political decisions are to be made.

11798

CSO: 3650/67

## DEFENSE MINISTER ENGELL: CREDIBLE DEFENSE DESPITE CUTS

Copenhagen BERLINGSKE TIDENDE in Danish 27 Dec 82 p 8

[Article by Michael Ehrenreich]

[Text] Despite the cuts agreed upon of 140 million kroner in 1983 and 180 million kroner in 1984, the Danish defense will remain credible, says Defense Minister Hans Engell.

"The cuts have not been the desire of the government, but given the high priority which the government attaches to the implementation of its total economic policy, it is my opinion that it will still be possible to create a credible defense," says Hans Engell in connection with the publication of "The Defense Minister's Annual Report" on the state of affairs and tasks of the ministry. The report is being issued this year for the first time.

The publication of the report is connected with the fact that the present defense legislation does not as previously lay down detailed strength targets for the units of the Armed Forces. The size, composition and organization of the three services will now be fixed by the defense minister.

Ranked at Bottom

The ministerial report states, among other things, that, in 1981, Denmark ranked at the bottom among the NATO countries as far as defense expenditures in percentages of the gross national product were concerned. Only Canada and Luxembourg were in 1981 lower than Denmark's and Italy's 2.5 percent of GNP. Heading the list among the NATO countries was Greece with 6.2 percent. It was followed by the United States with 5.9 percent, Turkey with 5.2 percent and Great Britain with 5 percent.

It, moreover, appears from the report that, as of 1 September 1982, 43 F-16 aircraft had been delivered of the 58 aircraft agreed upon. The cost of the aircraft is, at the moment, expected to be somewhat below the average cost agreed upon of well over 6 million dollars in January 1975 prices.

#### Came up to Expectations

"The introduction of the aircraft has, so far, taken place without any major problems, and the aircraft have come entirely up to the operative and technical expectations," the ministerial report states.

However, more difficulties are encountered in reaching the share agreed upon of the so-called compensation purchases in Denmark. The agreement amounted to 58 percent of the value of the total amount. Danish industry has, so far, received orders corresponding to 50 percent of the Danish purchase. But efforts are being made both from the American and the Danish sides to procure further orders for Denmark.

7262

CSO: 3613/41

## GENERAL SUTELA: FEAR OF NUCLEAR WAR SHOULD NOT HALT DEFENSE

Helsinki SUOMEN KUVALEHTI in Finnish 26 Nov 82 pp 7-9

[Interview with Finnish Army General Lauri Sutela by Antti Blafied, date and place not specified]

[Text] At the opening ceremonies of the National Defense Seminar on Monday 22 Nov General Lauri Sutela announced Finland's three fronts of nuclear war: political, military, and protective. All these partial areas were emphatically stressed in his speech. Previously, a commander of the defense forces could not even imagine saying anything about a political front.

On 27 January 1969 an annoyed Urho Kekkonen once again put his pen to paper. He ridiculed General Yrjo Keinonen for the fact that he had granted an interview to LALLI and made a statement which could maliciously be interpreted to mean that Finland's defense forces are only an extension of the Soviet Army.

Yrjo Keinonen answered Kekkonen: "In the future I will act in such a way that the defense forces will concern themselves as little as possible with those issues belonging to the leadership of the state."

And that is what happened. Practically speaking, the defense forces were silent on security policy for 7 years.

"In the beginning of the 1970's foreign policy was given particular emphasis in security policy discussions," states General Lauri Sutela in describing the situation.

However, a means was found in 1976 by which the commander of the defense forces was able to participate in the security policy discussion of that time "in a visible and appropriate manner". General Lauri Sutela changed the nature of the opening speech at the National Defense Seminar. Previous practice had been only to explain the intent and content of the course as well as to welcome the participants and wish them success in their studies. The 59th session of the National Defense Seminar began in January 1976. Sutela changed the policy at those opening ceremonies. At that time he only talked about money, but stated with a completely new kind of emphasis that "we cannot continue in this way". Even a year before that he had cautiously discussed

the military-political situation in Central Europe, but immediately hastened to state that he wants to leave this issue to the defense courses for a more thorough analysis.

President Urho Kekkonen approved Sutela's new method of emphatically becoming involved in the security policy discussion. As time went by the opening speeches became a tradition: in a way these speeches became an expression of the defense leadership's views on timely security policy issues and a comment on the discussion of them.

These opening ceremonies became a good opportunity for the commander of the defense forces to speak his mind. Leading individuals in commerce and industry, government, communications, and politics are invited to the courses offered by the seminar. Nearly all the MP's, among others, attend the National Defense Seminar over the years.

#### "We Are Compelled to Emphasize Our Own Work"

The army felt it necessary to come out of its shell also for the reason that the discussion of the defense forces and their necessity became more prevalent in the 1970's. "In general, we have been treated objectively. However, not everyone still understands the position of the defense forces as an instrument of the state's security policy. We have been accused of supposedly overarming ourselves as well as being of no value in a real situation," stated Sutela himself in describing the situation.

He cites an example of the attitude of the press toward the army. When President Mauno Koivisto recently gave an interview to SOTILASAIKAKAUSLEHTI [Military Journal], a certain newspaper affixed the following title to its article on the interview: Defense Forces Do Not Jeopardize Peace. "If the president had said this, hardly any lesser recognition could be given to us."

Koivisto in reality said that he does not believe there is such thinking within the peace movements that our defense forces are a factor endangering peace.

"What will be the title of this interview," sighs Sutela.

"Unilateral disarmament, which is being pressed on us also, is, of course, impossible in the present world situation. This should be self-evident to everyone. Lebanon is a case in point demonstrating what can happen when a country's own national army is not able to guarantee the territorial integrity of a nation."

Even though Sutela adopted the practice of becoming involved in the security policy discussion, he, however, does this more and more within the framework of pointing out facts than bringing up new ideas. "And there are sufficient facts to be pointed out. In addition to this, one of our problems is that we ourselves are frequently compelled to emphasize the importance of our own work. Naturally, there would not be the same motivation if our employer, or the state leadership, and the means of communications managed by it would be more vocal in this respect," states Sutela.

The army's position as another partial factor in security policy has been made considerably more evident by the fact that three times within the period of a decade politicians have sat down to deliberate the tasks and needs of the army. The result has been the reports of three parliamentary defense committees. The first produced legislation on the defense forces, among other things, the second detailed "performance requirements". It is still too early to say anything about the results of the third committee. The army considers that the committee should have recommended more resources than what was proposed in the report. Certain politicians, on the other hand, consider that its principal contribution was the international policy section of the report, which was the same as that of the second parliamentary committee or the most important result was that nothing has changed. "So that there would no longer be any reason to appoint a new committee. Time will tell."

"These parliamentary defense committees have made it easier for the military to talk about these issues. In any event they have brought a long-needed long-term planning and continuity to the development work of the defense forces, which cannot be left to situational policy."

Lauri Sutela's most recent speech at the opening ceremonies of the National Defense Seminar is once again an example of the fact that the military is no longer silent. He brought up the recent discussion on nuclear weapons, according to which the Finnish Army is making preparations for a completely wrong kind of war. It has been suggested that the next large-scale war, if such a war is allowed to break out, will be a nuclear war, from which no one will be saved.

"The background for this is frequently a real and understandable concern regarding the capability of our forces equipped with conventional weapons to withstand the conditions of a nuclear war. But this is also accompanied by an intentional intimidation as well as an underestimation of our defense capabilities, which does not take into consideration the facts of our strategic situation," stated Sutela in his speech.

"Realistically evaluated, it must be said that a nuclear war will not come as an unexpected surprise and it will not occur by accident, but it will be preceded by a profound crisis, which will most likely have already broken out as a struggle being waged with conventional weapons."

Thus the basic task of Finland's defense forces is to gain time. "As an international crisis escalates the most important question from our point of view will be how to remain outside of a military conflict that is escalating by degrees. In such a situation defense forces with a capacity to perform will be an indispensable support for our political efforts."

Will There Be Any Winners?

SUOMEN KUVALEHTI proposed a clarification of six points in Sutela's speech.



[Question] The central message of the speech was also that the probability of a nuclear war is extremely slight. This is based on the idea that there will be no winners in a nuclear war "in the traditional sense of the word". How do you justify this argument?

[Answer] The superpowers have so many nuclear weapons that can be launched from the ground, sea, and air that a destructive counterattack is certainly possible even in the event of an extensive surprise attack with nuclear weapons.

It has been estimated that unlimited nuclear strikes on population and industrial centers would cause more than 100 million deaths in the Soviet Union as well as in the United States. The social and psychological and even the ecological consequences of such a catastrophe would be immeasurable for a modern state. There would be nothing to gain in a nuclear war, only incalculable losses. Therefore, in my opinion it is completely correct to talk about a disappearing factor in connection with a large-scale nuclear war.

[Question] But will not talk about a limited nuclear war negate the argument according to which there are no winners in a nuclear war?

[Answer] According to by understanding the arguments on behalf of a limited use of nuclear weapons attempt to emphasize the effect of intimidation and not so much the idea of a military victory. By discussing the possibility of a limited nuclear war the opposing side is reminded of the fact that whatever the conflict between the superpowers, even military actions begun with only conventional weapons, it is always in danger of expanding into a nuclear war.

The concept of a limited nuclear war is based on the fact that in conventional warfare the side that is being defeated can stop the aggressor by using nuclear weapons and thus bring an end to military actions.

However, this concept in my opinion will result in an impasse. If the other side also possesses nuclear weapons, the idea of the possibility of a limited nuclear is based on optimism for which it is difficult to a rational justification. Why would the winning side in a conventional war fail to answer a nuclear strike once it has embarked on a path of aggression? Presumably, it has anticipated this situation in making the decision to attack.

#### "Force Gaining Ground"

[Question] You stated in your speech that "resorting to force as a solution to political conflicts is gaining ground and it is, indeed, sad that it also seems to be successful". Thus has something happened in the international order which would have caused its actions to acquire a more violent direction?

[Answer] Local wars have been continuously waged since World War II. Their number is already approaching 150. In this respect no drastic change has taken place. However, it seems that in recent years the tendency to resort to military means has been increasing. This has frequently been the consequence of territorial disputes.

The inclination to enter into a conflict has increased since weapons technology has developed and since more effective conventional weapons systems have ended up in the hands of developing countries on a large scale as the result of political blocs and the international arms trade. The inflammability of relations between the superpowers has, for its part, increased instability. This, on the other hand, has resulted in the fact that the UN's ability to mediate in a crisis situation has been reduced.

[Question] You stated in your speech that the establishment of a Nordic nuclear free zone would significantly stabilize the Nordic area's security situation. On the other hand, you confirmed that the conditions for the use of nuclear weapons are, above all, connected with the alternative of a major war. Is there not a contradiction in this?

[Answer] I do not see any contradiction in this. It is true that if a war is waged in the Nordic area, it will be a question of a situation connected with a major war. A nuclear free zone in the Nordic area can still be a realistic goal for the reason that the Nordic area will not be the primary theater of a nuclear war and at this point it is also not an area of primary emphasis in the event of a possible European war.

It is natural that from the point of view of the Nordic area itself it is reasonable to make every possible effort in order to protect the area from the destruction of a nuclear war. No one can say for certain whether we will succeed in this and whether the guarantees of the superpowers will be sufficient in a crisis situation. Every day that we can remain outside of a nuclear war can be of irreplaceable value.

Where Is The Target?

[Question] The probability of Finland becoming the target of a nuclear attack is slight, you argued in your speech. Is not this argument mere semantics, however, when one considers the geographical location of our country? Is there really any difference whether the target is in Finland or in the immediate vicinity of our borders?

[Answer] The difference is, of course, essential. If a nuclear explosion occurs outside of our borders, the only protection that will be needed will be because of possible fallout on our territory. The success of protective measures will be decisively better than if our territory is subjected to a direct nuclear attack.

I consider it to be a significant advantage that we do not need to proceed from the worst alternative in civil defense planning.

[Question] You make emphatic references to civil defense. However, many doctors, for example, consider all civil defense measures to be a deception; they will not protect anyone in reality, they argue.

[Answer] I would think that those doctors who promote this argument only want to make the most forceful protest statement possible against the use

of nuclear arms in general just as they overemphasize their own inability to relieve the suffering caused by a nuclear war.

However, the situation should not be misrepresented. There will not be complete areas of destruction everywhere. There where the possibility of a nuclear war is deemed to be realistic, preparations will be made for relevant civil defense measures. With their help a portion of the population will be saved from a catastrophe if a nuclear war is, indeed, allowed to break out.

I am also prepared to argue that the significance of a well-managed civil defense can be inestimably important already during the threat of a war from the point of view of the people's mental ability to withstand a crisis and the will to put up an effective national defense.

10576

CSO: 3617/38

## PORT CORPS HEAD RESIGNS, REPLACEMENT APPOINTED

Athens ELEVTHEROTYPIA in Greek 21 Nov 82 p 1

/Article by Yiannis Fytras: "He Resigned Before Getting Removed Because He  
'Disagreed'"7

/Text/ Rear Admiral Dim. Orfanos was about to be removed from the command of the Port Corps because he could not cooperate with the new political leadership. So he hastened to resign 5 minutes before 12 probably in order to create certain impressions among the personnel of the Port Corps. This was made public by sources in the Ministry of the Merchant Marine.

Orfanos--according to the same sources--had been judged to be unsuited for the position of commander of the Port Corps by the political leadership because he had no administrative experience. He had served for 12 years in the Inspectorate of Merchant Vessels and had not dealt with economic issues and problems which mostly concern the economic Ministry of Merchant Marine.

Then he raised objections against the change of the ministry into an economic and planning ministry as is the case throughout the world, except in Greece. The same sources add that he insisted on participating in the making of economic decisions by the ministry and in the negotiations of the minister with the seamen and the shipowners.

Next Tuesday Senior Captain K. Prokopis will assume his duties as the new commander of the Port Corps. The new commander believes that the ministry's policy is charted by the minister and that no problems will arise as long as there is dialogue and good will. In any event Prokopis never came into conflict with his military or political superiors throughout his military career.

Following the selection of the new commander who is promoted to vice admiral, the following officers are retired in addition to former Commander D. Orfanos: Deputy Commander of the Port Corps G. Rosopoulos and Senior Captains Khr. Stefanopoulos, Vas. Matzavinatos and Pan. Lykoudis who had seniority over the new commander.

The new commander was born in Patrai in 1928 and is a graduate of the Supreme School of Economics and Commercial Sciences. He graduated from the Cadet School of the Port Corps at the head of his class in 1956 and has graduated from the School of National Defense. He has served in central and regional posts of the Ministry of Merchant Marine and as consular port master in Marseilles. He is married and has one son. He speaks English.

7520

CSO: 3521/95

## BRIEFS

'ALEXANDROS' MOCK MANEUVERS--In the context of the annual training program for the Armed Forces, the mock exercise 'Alexandros' has been executed (on paper) since 7 December and will last until the 18th of the month. According to a statement by the Defense Ministry, participating in the exercise which is directed by the National Defense General Staff, are all general staffs, large military formations and all political services of ministries which are related to the preparation and defense of the country. It was made clear that the exercise aims at preparing the above participants to cope with crises for avoiding possible hostilities and in directing war operations. The existing defense plans and the procedures for their implementation will also be tried out during the exercise. /Text/ /Article  
I AVGI in Greek 11 Dec 82 p 6 7520

CSO: 3521/123

## YOUTH SUPPORTING GRASS-ROOTS DEFENSE MOVEMENTS

Oslo AFTENPOSTEN in Norwegian 23 Dec 82 p 3

[Text] The movement called A Free Norway with NATO is working at full speed these days. A great many people have supported the campaign, both economically and morally. "How can we thank everyone?" asked a leader of the movement, Elisabeth Ramm. She has received requests for more information material to such an extent that it is practically necessary to set priorities between school students and others. "We have had a surprisingly large number of requests from student councils and school classes," she said.

Elisabeth Ramm told AFTENPOSTEN that there is a common element in most communications. "People say they are subjected to opinion terrorism by the peace movements and No to Nuclear Arms, both in private and on the job. The presentations by the news media give people the feeling that they are isolated, because they have opinions that differ from the ones shown as prevailing in the parades and marches that take place. But the fact is that A Free Norway with NATO is in touch with a large portion of the 'silent majority.' We know that a lot of people sit at home and stick to the principle that Norway is rooted in the West and that there is no peace without freedom," said Elisabeth Ramm.

The movement has also received letters that can be briefly summed up as heartfelt sighs of gratitude that someone has finally spoken out against the attempt by No to Nuclear Arms and other so-called peace movements to monopolize peace activity. "Most people want peace. The only question is how to get it," said Elisabeth Ramm, who added that of course she supports the free exchange of ideas, but that as things have developed for A Free Norway with NATO, the situation is very slanted against those who have views that differ from those dominating the news picture in the mass media. "Most people are not so familiar with the details that they can evaluate the kind of moves we have heard from Moscow in the last few days. It is easy to become confused," said Elisabeth Ramm.

How does the movement, A Free Norway with NATO, manage financially?



"We work from one day to the next. When we have received enough money, we put out a new brochure dealing with topics on the political agenda or things that are up for debate in other ways. We keep up with things and would like to have the money to make an ongoing orientation possible. But for the time being we have to be content with the money people send to us and this has enabled us to issue three brochures. We are forced to give priority to school classes that ask for information, but we would rather have enough money to answer all requests. But I must say that I am impressed with people's generosity. We continue to receive gifts ranging from 10 to several thousand kroner," Elisabeth Ramm told AFTEN-POSTEN.

6578

CSO: 3639/43

## BRIEFS

APPEAL FOR DEFENSE-POLICY CONSENSUS--"It must continue to be a major task for the Conservatives to seek the broadest possible cooperation with the other parties on Norwegian defense and security policies," said Lagting president Thor Knudsen in an interview with the Conservative Press Office. Knudsen stressed, however, that this cooperation must be based on the main lines that have been in effect since the war, namely full support for NATO and the commitments stemming from that. "All the formal procedures in the world on NATO's infrastructure program cannot conceal the fact that problems have been caused by a growing group of people in the left wing of the Labor Party. This is a problem that must be clarified by the Labor Party, first and foremost. A paramount wish for the new year is that the Labor Party along with the other parties in Storting will abide by the commitments involved in the NATO affiliation," said Knudsen. [Text] [Oslo AFTENPOSTEN in Norwegian 23 Dec 82 p 3] 6578

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## BRIEFS

GREEK FLOATING DERRICK DONATION--At a ceremony yesterday Greek Ambassador Khr. Zakharakis officially donated to Transportation Minister Mavrellis the floating derrick "Atlas" as a gift from Greece to Cyprus. It is worth noting that that derrick which will be part of the port installations cost 1.5 million pounds. Mavrellis thanked Zakharakis for the gift and said, in part: "The donation of the derrick by the Andreas Papandreu government to Cyprus represents one more expression of the multi-sided Greek support to the struggling Cypriot people and proof of the sincere interest and support of the Greek premier of the just struggle of our people." [Text] [Nicosia I SIMERINI in Greek 4 Dec 82 p 12] 7520

DIRECTORS GENERAL APPOINTED--Nikos Symeonidis, director of the Planning Office, was appointed director general of the Justice Ministry and Linos Sakallis as director general of the Ministry to the President. The appointments were made by decision of the Public Service Committee which made the announcement in writing 1 day after the two candidates were interviewed for the respective positions. In the past 4 months three senior cadres in the Planning Office have been promoted to positions of directors general: Georgios Khatzianastasiou to the Ministry of Communications, Kyriakos Khristofi to the Ministry of Interior and Nikos Symeonidis to the Ministry of Justice. [Text] [Nicosia O AGON in Greek 8 Dec 82 p 1] 7520

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## SOVIETS HALT FURNISHING OF BARENTS-AREA WEATHER DATA

Oslo AFTENPOSTEN in Norwegian 23 Dec 82 p 4

[Article by Aashild Sorheim Erlandsen]

[Text] "The Soviet Union no longer gives us as complete weather observation data as it used to. Therefore the Norwegian Meteorological Institute sent a letter to the Soviet authorities on 8 December, requesting more open data and proposing closer cooperation," director Kaare Langlo of the Meteorological Institute told AFTENPOSTEN.

"It is a shame to interfere with the trust that has characterized meteorology around the world in the past," he said. The letter was sent via the Soviet Embassy in Oslo. "We also informed the Foreign Ministry of the step we have taken," said director Langlo.

"We still receive telegrams from the Soviet Union every day, but it is hard to obtain historical data. We know that the Soviet Union has more information than we receive and it is obvious that they are reluctant to give complete reports. Please note that I am talking about the withholding of open data," he said.

What are the consequences of that?

"We get less complete coverage. We are especially interested in getting data about the Barents Sea, the area around Svalbard and Polar regions in general. Weather conditions here are of interest to the oil companies, among others, in connection with the development of the oil industry. We are now working to acquire statistics on all weather maps for the last 25 years. It is not enough for the oil industry to know what weather conditions have been like recently. We must look at the last 25-year period as a whole."

It has been traditional custom among nations that everything above the ocean surface has been open and accessible, while everything below the waves has been more or less military. There has also always been full agreement in the United Nations concerning international weather agreements.

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